Foreign
Broadcast
Information
Service
50
ANNIVERSARY
1941 - 1991

Daily Report

East Asia

FBIS-EAS-91-142
Wednesday
24 July 1991

Daily Report
East Asia

FBIS-EAS-91-142 CONTENTS *24 July 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

ASEAN Reportage Continues

Partners Reach Agreements on 'Number of Issues' *[Kuala Lumpur International]* 1
Members Said Ready To Discuss Rights With EC *[ANTARA]* 1
Canadian Says Mexico Not Threat to Exports *[Bangkok BANGKOK POST 23 Jul]* 1
Ministers, Dialogue Partners Resume Talks *[BERNAMA]* 2
Members Comment on Japan's Security Proposal *[KYODO]* 2
Members, Trading Partners Hold Security Talks *[BERNAMA]* 3
EC's Matutes: No Conditions on Trade, Aid *[Bangkok BANGKOK POST 24 Jul]* 4
Members Urge Private Sector Inclusion in Talks *[Kuala Lumpur Radio]* 4
Japan, Thailand Vow Efforts in Cambodia Issue *[KYODO]* 4
Nakayama Discusses PRC, USSR With Manglapus *[KYODO]* 5
Thai Minister, Baker on ASEAN-U.S. Dialogue *[BERNAMA]* 5
Baker Against Changing Asia-Pacific Security *[BERNAMA]* 6
Canada, Members Sign 3 Cooperation Agreements *[BERNAMA]* 6
Australia Seeks Access to ASEAN Markets *[AFP]* 7
    Encourages Study of Neighbors *[BERNAMA]* 7
Philippines' Manglapus To Lead Mission to Burma *[BERNAMA]* 8
U.S., Australia on Cambodia 'Partial Solution' *[BERNAMA]* 8
Malaysia 'Convinced' EAEG To Become Reality *[BERNAMA]* 9

NORTHEAST ASIA

Japan

Foreign Ministry Defends Aid to China *[KYODO]* 10
Hashimoto: Soviet Issue To Dominate IMF *[KYODO]* 10
Dispute Over U.S. Auto Parts Prices Research *[KYODO]* 10
U.S. Firm's Direct Business Request Rejected *[KYODO]* 11
Technology Transfers to Taiwan To Increase *[KYODO]* 11
Ex-Im Bank Extends Loans to Mexico, Indonesia *[KYODO]* 12
Government Withdraws Aid Workers From Peru *[KYODO]* 12
LDP, Opposition Formally Agree on Diet Session *[KYODO]* 12
Kaifu Urges Tanabe To Tackle Political Reform *[KYODO]* 12
    Tanabe's Election, Reform Plan *[KYODO]* 13
Reaction to Stock Scandal Continues 14
    Big Brokers Resubmit Reports *[KYODO]* 14
    Ministry Urges List Published *[KYODO]* 14
    Hashimoto on New Bill *[KYODO]* 15
    Firms Urged To List Names *[KYODO]* 15
    MOF Urged To Disclose Names *[KYODO]* 15
Report: Economy in 'Good Shape' in 2d Quarter *[KYODO]* 16
Lower Costs Urged To Gain Foreign Investment *[KYODO]* 16
'Virtually Worthless' Warrants Worry Investors *[KYODO]* 17
Ministry Urges More Women, Young in Work Force *[KYODO]* 17
Foundation To Promote Foreign Trainees in Japan *[KYODO]* 18
Power Supply Possibly Not To Meet Demand *[KYODO]* 18
New Indoor Antenna Receives Satellite Broadcasts *[KYODO]* 18
Toshiba Markets Two New Workstation Computers *[KYODO]* 18
Group Adopts Standards for IBM PC Software *[KYODO]* 19

North Korea

Meetings on Consoling South 'Dissidents' Held *[KCNA]* 19
Consolatory Delegations Leave for South 24 Jul *[Pyongyang Radio]* 19

Aquino Appoints New Manila Cabinet Officer *[MALAYA 21 Jul]* 54
Senator Maceda Criticizes Aquino Administration *[Manila Radio]* 55
Santiago Tops University Polls Again *[Manila Radio]* 55
De Villa To Reorganize, Streamline Defense *[Manila Radio]* 55
Bomb Explodes at Davao City Bus Terminal *[PHILIPPINE DAILY INQUIRER 22 Jul]* 56
Militant Groups To Continue Strike Action *[MALAYA 22 Jul]* 56
Military Arrests Alleged Dec 1989 Coup Leader *[Quezon City Radio]* 57
Decline in Renegade Military Faction Reported *[PHILIPPINE DAILY INQUIRER 22 Jul]* 57
Official Says Communist Capabilities Declining *[MANILA BULLETIN 22 Jul]* 58
Communist Plans Against Government Outlined *[MANILA BULLETIN 20 Jul]* 58
Rebel Propaganda Plans for Presidential Polls *[PHILIPPINES NEWSDAY 23 Jul]* 59
Army To Withdraw After Clearing NPA in Quezon *[MANILA BULLETIN 20 Jul]* 60
NPA Loses Support in Northern Mindanao *[MANILA BULLETIN 22 Jul]* 60
Special Army Teams Combat Insurgency *[MANILA BULLETIN 22 Jul]* 60
Islamic Delegation To Examine Mindanao Problems *[MANILA BULLETIN 23 Jul]* 61
Japanese Loans $664 Million for Infrastructure *[BUSINESS WORLD 22 Jul]* 61
Bank Governor Urges Speedier Financial Reforms *[THE CHRONICLE 23 Jul]* 62

Thailand

Baker, Asa Discuss IPR, Narcotics, Burma *[BANGKOK POST 24 Jul]* 63
Prime Minister 'Unaware' of Plans for Bush Visit *[THE NATION 24 Jul]* 64
Treasury Reconsiders Real Estate Leased to U.S. *[THE NATION 20 Jul]* 64
Firm Pays SRV To Release 111 Fishermen *[MATICHON 22 Jul]* 65
GATT Failure or Success Brings Mixed Results *[BANGKOK POST 23 Jul]* 65
Cabinet Approves Enactment of Value Added Tax *[BANGKOK POST 24 Jul]* 65
Expert Notes Strengths, Weaknesses of Economy *[Radio VOFA]* 66
Navy Plans Upgrade of Eastern Seaboard Fleet *[BANGKOK POST 23 Jul]* 66
Rice Exporter Discusses Problem of Sales to Iraq *[NAEO NA 23 Jul]* 68
Minister Defends Retention of Powers by NPKC *[BANGKOK POST 24 Jul]* 68
Sunthon Urges Somchai To Support Chawalit Party *[BANGKOK POST 23 Jul]* 69

Vietnam

Radio Comments on Photograph of U.S. MIAs *[Hanoi International]* 69
Japanese MP Interviewed on Bilateral Cooperation *[Hanoi International]* 70
Ambassador Discusses Cooperation With France *[Hanoi TV]* 70
Hun Sen Denies BBC Report on Army Proposal *[VNA]* 71
Cambodian Political Officers Visit 15-22 Jul *[VNA]* 71
Egyptian Envoy Hosts Ministers on National Day *[VNA]* 71
Cuban Envoy Presents Awards to Friendship Group *[VNA]* 71
Directive on Implementing Party Resolutions *[Hanoi Radio]* 72
Communique on 22 Jul Council of State Session *[Hanoi Radio]* 72
Update on Agenda for Ninth National Assembly *[Hanoi Radio]* 72
Voters Voice Recommendations to Deputies *[Hanoi International]* 73
Discussion on Prospects of Economic Development *[Hanoi International]* 73
Drought Delays Autumn Rice Planting in North *[AFP]* 73
Population, Family Planning Program Discussed *[Hanoi Radio]* 74
Conference on Nongovernmental Aid in Dong Thap *[Hanoi Radio]* 74
Conference on Army's Economic Building Held *[Hanoi Radio]* 75
Nguyen Van Linh Visits Lam Dong Silk Union *[Hanoi Radio]* 75
Chairman Vo Chi Cong Visits Lam Dong Province *[Hanoi TV]* 75
Pham The Duyet Attends Scientific Union Meeting *[Hanoi Radio]* 76
General Nguyen Quyet Visits War Invalids *[Hanoi International]* 76

AUSTRALASIA

Australia

Ministers To Meet Taiwan Economic Minister *[Melbourne International]* 77
Ray on Unified Defense Force With New Zealand *[Melbourne International]* 77

Fiji

More Police Officers To Join UN Peacekeepers *[Melbourne International]* 77

Papua New Guinea

BRA Blamed for Attack on Soldier, Policeman *[Melbourne International]* 77
Premier Urges 'Greater Effort' for Peace *[Melbourne International]* 77

ASEAN Reportage Continues

Partners Reach Agreements on 'Number of Issues'

BK2307070291 Kuala Lumpur Voice of Malaysia in English 0600 GMT 23 Jul 91

[Text] ASEAN foreign ministers and their seven dialogue partners reached agreement on a number of issues during the first day of talks yesterday. They include the Cambodian problem, Indochinese refugees, South Africa, and development in the Uruguay Round of trade negotiations.

Malaysian Foreign Minister Datuk Abdullah Ahmad Badawi told newsmen that the Cambodian problem dominated the meeting. He said Prince Norodom Sihanouk and the Supreme National Council would be given all the assistance to find a comprehensive political settlement. On Indochinese refugees, the European Community informed the meeting that it had initiated a pilot project to assist those who want to return home. On a proposal to turn the Post Ministerial Conference into a forum to discuss security arrangements for the Asia-Pacific region, Datuk Abdullah said ASEAN disagreed with it. The proposal was put forward by Japanese Foreign Minister Taro Nakayama. On South Africa, Datuk Abdullah said the lifting of sanctions should not disrupt the process of creating an apartheid-free South Africa.

ASEAN and the European Community have signed a pact to set up an ASEAN-EC management center. An ASEAN-EC statement said the center will among other things develop the capacity of management training in ASEAN. The agreement was signed by Foreign Minister of Brunei Darussalam Prince Mohamed Bolkiah on behalf of ASEAN and the EC Commissioner Abel Matutes in Kuala Lumpur today. The center to be located in Bandar Sri Begawan will be funded by the European Community and Brunei.

Members Said Ready To Discuss Rights With EC

BK2307064491 Jakarta ANTARA in English 0504 GMT 23 Jul 91

[Text] Kuala Lumpur, Jul 23 (OANA-ANTARA)—The Association of Southeast Asian Nations (ASEAN) is ready to hold a discussion with the European Community on the issue of human rights and the environment on the second day of the ASEAN Post Ministerial Conference here on Tuesday.

Indonesian Foreign Minister Ali Alatas disclosed the ASEAN readiness here Monday night as he held a meeting with his Dutch Counterpart H. Van den Broek after the signing of a protocol of the amendment to the agreement between the two nations on the avoidance of double taxation effective since 1973. "What we disagree is that if the two issues become a new conditionality", Alatas said.

The European Community (EC) in the Tuesday's dialogue will be represented by the Netherlands, which is now the chairman of EC. ASEAN will have no objection to discussing the two issues if the EC does not intend to make human rights and life environment a new conditionality. He added that the two issues are important.

Meanwhile, Marzuki Darusman, member of the House of Representatives (DPR) when asked his comment as to whether the issue of human rights will possibly be raised at the ASEAN-EC dialogue, said that it is difficult to understand the Western concept of human rights because of an effort to match the two different matters - basic human rights and life style.

The discussion between the two foreign ministers also focused on matters to be necessarily discussed in ASEAN-EC dialogue on Tuesday.

In an effort to intensify ASEAN-EC cooperation, they expressed the hope that the expansion of cooperation agreement between the two regional organisations could be realized this year.

We will put more emphasis on cooperation in the field of industry and explore the possibility of enhancing cooperation in the field of science and technology, Alatas said.

Canadian Says Mexico Not Threat to Exports

BK2307044991 Bangkok BANGKOK POST in English 23 Jul 91 p 17

[Text] Kuala Lumpur—Canada has tried to allay ASEAN's concerns that the proposed inclusion of Mexico in the US-Canada Free Trade Agreement would jeopardise ASEAN exports to North America.

Canadian Secretary of State for External Affairs Barbara McDougall assured the ASEAN Post Ministerial Meeting here yesterday that the plan was consistent with the overall goal of broadening multilateral trade around the world.

"We wish to strengthen our economies in North America which will provide more opportunity for ASEAN suppliers, not less. You will benefit significantly from a more open, more efficient North American system," she said.

Last week Malaysian Prime Minister Mahathir Mohamed said Mexico was a potential "danger" in diverting ASEAN's trade with the United States and Canada.

Because of its lower costs, expecially labour, Mexico would serve as a production base for American and Canadian investors, he said.

Meanwhile, President of the Council of Ministers of the European Comunity (EC) H. Vanden Broek and EC Commissioner Abel Matutes served another assurance to ASEAN foreign ministers that the single European market in 1992 would not create an adverse affect on ASEAN's trade with the 12-nation community.

"It is a firm community objective that this single market of 350 million consumers will avoid becoming what we once referred to as 'Fortress Europe'," said Mr Van den Broek.

He said that on the contrary its objective was trade creation, not only involving regional partners in Europe but also partners worldwide, especially ASEAN countries which have been among the first to profit from the new opportunities.

EC Commissioner Matutes said that last year EC imported goods worth over US$100 billion from Asian countries and that the ASEAN share in the DC market had doubled between 1975 and 1990:

He said that since 1984 the EC had become the most dynamic export market for ASEAN, taking 15 percent of the six-nation groups' exports compared to 10 percent in 1980.

Ministers, Dialogue Partners Resume Talks

BK2307052691 Kuala Lumpur BERNAMA in English 0347 GMT 23 Jul 91

[Text] Kuala Lumpur, July 23 (OANA-BERNAMA)—Foreign ministers of ASEAN and their dialogue partners resumed their talks Tuesday with U.S. Secretary of State James Baker attending the meeting, the final plenary session of the Post Ministerial Conference (PMC) before the series of talks between ASEAN and individual dialogue partners.

Baker, who arrived at dawn Tuesday fresh from a swing of five West Asia countries, is expected to brief the delegates on the U.S. initiative to help convene Arab-Israeli peace talks.

Tuesday's full session is also expected to discuss the question of human rights, protection of the environment, and trade and protectionism.

It is at the meetings between ASEAN and the individual dialogue partners, called 6 plus 1, that the ministers will get down to the nitty gritty of business, trade and investment.

It is also at these meetings that the issues and problems between the grouping and the dialogue partners will be thrashed out.

For Tuesday, four such meetings are scheduled. The first is between ASEAN and the European Community (EC), followed by with Japan, South Korea, and New Zealand.

The 6 plus 1 meetings with the United States, Australia and Canada will take place Wednesday morning before the PMC concludes in the afternoon with a joint press conference.

Several bilateral meetings will take place over lunch Tuesday. These are between Malaysia and the EC, the Philippines and Japan, Singapore and Australia, Thailand and the United States, Brunei Darussalam and Canada, and Indonesia and New Zealand.

Off the meeting, Baker is scheduled to call on Malaysian Prime Minister Dr. Mahathir Mohamed. He called on Foreign Minister A Abdullah Badawi before the start of the PMC session Tuesday.

Dr. Mahathir has, on his schedule, brief meetings with two other ministers—Papua New Guinea Foreign Minister Michael Somare, who called on him Tuesday morning, and Australian Foreign and Trade Minister Gareth Evans whose mission here, apart from attending the PMC, is also to cool the simmering ties between the two countries after Malaysia took offence to what is perceived as derogatory portrayal of the country by the Australian media.

Members Comment on Japan's Security Proposal

OW2307154291 Tokyo KYODO in English 1520 GMT 23 Jul 91

[Text] Kuala Lumpur, July 23 KYODO—Southeast Asian countries Tuesday stopped short of fully endorsing a Japanese proposal for regular political dialogue focusing on regional security issues during a meeting here with their major trading partners.

Malaysian Foreign Minister Abdullah Ahmad Badawi said security issues were discussed very intensively on the second day of talks between foreign ministers from the Association of Southeast Asian Nations (ASEAN) and representatives of seven trading partners.

But Abdullah, speaking to reporters, reiterated the annual forum for dialogue "should not be constrained to discuss security only."

A South Korean delegate said some participants told the meeting they see no need to set up a separate group for security discussions.

He was referring to that Japanese suggestion that a regular meeting of senior officials be organized to make ministerial-level discussions effective.

Indonesian Foreign Minister Ali Alatas, who spoke mainly on behalf of ASEAN during the meeting, said security is one of the important points to be raised at the annual talks, but ASEAN does not want the issue to dominate or such discussions to be institutionalized, conference sources said.

Japanese Foreign Minister Taro Nakayama told reporters he thinks understanding has been obtained from the six ASEAN countries on the proposal, including the suggested meeting of senior officials.

Japan will try to have the first such meeting called before the next conference of ASEAN foreign ministers and dialogue partners is held in Manila in mid-1992, Nakayama said.

The proposal, made by him Monday, calls for the annual dialogue to be used for political discussions designed to "improve the sense of security among us."

Nakayama reiterated at the second-day session it is not appropriate to apply a security framework like the Conference on Security and Cooperation in Europe (CSCE) to Asia, said a senior Japanese official, who requested anonymity.

Asia needs its own approach toward security issues, and the proposed use of annual talks between ASEAN and its partners for this purpose is one of existing mechanisms to be utilized, Nakayama said.

Abdullah said the Malaysian-proposed East Asia Economic Group (EAEG) was mentioned "only once"—by himself—during the meeting.

He told the meeting the EAEG "is not inconsistent" with the Asia-Pacific Economic Cooperation (APEC) process that includes more members than the proposed new group.

"Malaysia supports APEC," Abdullah told reporters. "But at the same time, the EAEG has a role to play."

U.S. Secretary of State James Baker, who joined the conference earlier Tuesday, briefed other ministers on his latest efforts to organize a Middle East peace conference, Japanese and U.S. officials said.

Baker, fresh from intensive talks with leaders of the region, said Israel told him "it would give its response shortly" to the proposal accepted by Arab countries, a U.S. official said.

The ASEAN side struck a negative chord toward calls from the U.S. and some other Western countries for pressure on Myanmar's [Burma's] military rulers to hand over power to opposition leaders elected in May last year, Japanese officials said.

It was ASEAN's view that Myanmar is a member of southeast Asia which is important to regional stability and a constructive approach is needed to avoid its isolation, they added.

Members, Trading Partners Hold Security Talks

BK2407033891 Kuala Lumpur BERNAMA in English 0316 GMT 24 Jul 91

[Text] Kuala Lumpur, July 24 (OANA-BERNAMA)—The six ASEAN countries and their seven major trading partners held extensive talks on security in the Asia-Pacific region at their annual dialogue Tuesday.

"But security does not mean armaments," Malaysian Foreign Minister Abdullah Badawi told newsmen after the final plenary session of the dialogue, formally known as the Post-Ministerial Conference (PMC).

He said the question of security, peace, and stability were vital links to the question of economic growth and prosperity in the region, and ASEAN recognised the importance of the issue.

An ASEAN conference official said security, to the grouping, also meant socioeconomic development.

Japan, Australia, and Canada had come out strongly with their proposal on the security question of the Asia Pacific region and suggested that the ASEAN address the issue with the end of the cold war and what they perceived as a power vacuum in the region.

Japanese Foreign Minister Taro Nakayama, in his opening address at the PMC on Monday, suggested that the ASEAN six and their seven dialogue partners set up a senior officials group to discuss security and report to the PMC.

He took his proposal a step further Tuesday when he told the 6 plus 1 dialogue between ASEAN and Japan that the grouping and Japan "as stabilising forces in the region play the important role just like a breakwater against the waves that may destabilise the region."

"And standing behind Asia in its defence is the United States. This is the structure of Asia as I see it," he said.

ASEAN officials, short of turning down the Japanese proposal, said the ASEAN would have to study it first.

They said the 24-year-old grouping had its declaration of a Zone of Peace, Freedom, and Neutrality (ZOPFAN) and the Treaty of Amity and Cooperation. "They are welcome to discuss it (security) within the framework of these declarations," one of them said.

Abdullah ruled out the possibility of the PMC being turned into the sole forum to discuss security. "We have benefited from our discussions on other issues, and security is just one of the issues," he added.

Philippine Foreign Secretary Raul Manglapus provided a glimpse of the extensive talks held Tuesday when he made public his paper presented at the PMC.

East Asia, he said, remained saddled with three areas of potential conflict—the South China Sea, the Northern Territories issue between Japan and the Soviet Union, and the Korean peninsula.

The fourth area is Kashmir, and all four "flashpoints" lie within the Asia Pacific region, he added.

"Because we in ASEAN belong to East Asia, East Asian peace, stability and prospects for sustained, long-term growth are of major concern to us," he said in the paper that outlined the general trends and developments in the region.

EC's Matutes: No Conditions on Trade, Aid

BK2407022591 Bangkok BANGKOK POST in English 24 Jul 91 p 24

[By Bunsong Kositchothethana in Kuala Lumpur]

[Text] The European Community (EC) yesterday said it has no desire to impose conditions on the preferential trade arrangements and development assistance it extends to ASEAN by linking them with human rights and environmental questions.

"We have no desire to impose any 'made in Europe' solution," EC Commissioner Abel Matutes said.

"We only want to share with you our strong belief that economic development, political rights and fundamental freedoms are closely interrelated policies."

Mr Matutes was speaking to ASEAN foreign ministers at the ASEAN Post Ministerial Meeting, during which ASEAN maintained that the EC should not link human rights and environment issues to economic matters and impose more conditions on the six nations.

A spokesman for the Malaysian Foreign Ministry said ASEAN and the EC yesterday agreed to study the question further.

ASEAN ministers yesterday also had a follow-up discussion with the EC on the subjects of establishing a consultative mechanism to avert ASEAN-EC trade disputes, establishing a comprehensive plan of action for developing industrial cooperation, and involving the European Investment Bank and other financial institutions in financing ASEAN public and private projects and ASEAN-EC joint ventures.

The EC also offered technical assistance on the proposed establishment of an ASEAN Free Trade Area, as was initiated by Thai Prime Minister Anan Panyarachun. ASEAN foreign ministers welcomed the offer.

Meanwhile, the EC has reaffirmed its commitment to complete the stalled Uruguay Round of world trade negotiations before the end of the year.

EC Council of Minister President H. Van den Broek said here that the EC spelt out its intention during the recent meeting in London of the Group of Seven, the world's seven richest countries.

The EC was blamed by the developing countries for contributing to the failure of Uruguay Round of GATT, which was supposed to be wrapped up at the end of last year.

While maintaining that both developed and developing countries needed to be flexibile in negotiations, Mr Van den Broek said the EC "is prepared to play its full part in this give-and-take process in conformity with the Declaration of the London G-7 Summit".

Members Urge Private Sector Inclusion in Talks

BK2307141691 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 23 Jul 91

[Text] ASEAN has called for the inclusion of the private sector in its talks with the European Community, EC, saying this would be logical step to further enhance relations between the two groupings.

Malaysian Foreign Minister Datuk Abdullah Ahmad Badawi said he believed that both were in agreement that much would be gained by involving the private sector in the dialogue process. He said the problem is really that of how the EC can accommodate ASEAN's request, saying that it does not have the mechanism for bringing this about.

Datuk Abdullah was speaking on behalf of ASEAN at the six plus one ASEAN-EC post ministerial conference, PMC. He said that with ASEAN's other dialogue partners, the private sector was an integral part of the delegation and took an active part in almost all discussions.

The Netherlands' Foreign Minister, Mr. Van Den Broek, who led the EC delegation, said future developments in the relationship between the two regions could be expected to be initiated and supported increasingly by the private sector. He said history has shown the private sector to be a decisive factor in economic development—a fact which is increasingly recongnized worldwide. He said judging by experience, there is good reason to assume that relations between the two dynamic regions would develop more rapidly and extend to more sectors than in the past decade.

ASEAN and the EC signed the cooperation agreement in 1980s.

Japan, Thailand Vow Efforts in Cambodia Issue

OW2307154991 Tokyo KYODO in English 1525 GMT 23 Jul 91

[Text] Kuala Lumpur, July 23 KYODO—Japan and Thailand renewed their agreement Tuesday to continue close cooperation in bringing about lasting peace in Cambodia, Japanese officials said.

Japanese Foreign Minister Taro Nakayama told his Thai counterpart Asa Sarasin that Japan hopes to help solve the Cambodian conflict by continuing a bilateral peace initiative launched at a Tokyo conference in June last year, the officials said.

Asa agreed, reminding Nakayama of a meeting of the Supreme National Council (SNC) slated for August in Bangkok.

The SNC represents all four warring parties and is expected to rule Cambodia until an elected government comes into being.

Asa told Nakayama that Japan can act as a bridge between Indochina and the noncommunist Association of Southeast Asian Nations (ASEAN), the officials said.

Asa was quoted as saying Thailand hopes to cooperate with Japan to improve the future of Vietnam, Laos and Cambodia.

Nakayama, who visited Laos last year and Vietnam in June, agreed and pledged efforts to help the three communist nations become more democratic and open to the rest of the world, the officials said.

Asa told Nakayama that Thai Prime Minister Anan Panyarachun hopes to visit Japan in early September, they said.

If realized, it would be Anan's first visit to Japan since being named prime minister following the February 23 military coup.

Nakayama Discusses PRC, USSR With Manglapus

OW2307112691 Tokyo KYODO in English 1030 GMT 23 Jul 91

[By Masanori Kikuta]

[Text] Kuala Lumpur, July 23 KYODO—Japan told the Philippines on Tuesday it is premature to allow China and the Soviet Union to participate in dialogue between noncommunist southeast Asian countries and their major trading partners.

Japanese Foreign Minister Taro Nakayama made the comment during a luncheon with his Philippine Foreign Secretary Raul Manglapus, officials said.

The Philippines will host a meeting next year of foreign ministers from the Association of Southeast Asian Nations (ASEAN) and its seven dialogue partners, including Japan and the United States.

Manglapus told Nakayama he has invited China and the Soviet Union to a meeting in Manila of ASEAN foreign ministers which will precede ASEAN's annual dialogue with the partners, the officials said.

He said giving the two countries the status of full asean dialogue partners is a question to be resolved in the future.

China and the Soviet Union attended last week's ASEAN foreign ministers' meeting for the first time as guests of the Malaysian government.

Nakayama will leave for the Philippines on Wednesday after attending a joint press conference with his colleagues from ASEAN and its dialogue partners, concluding three days of talks.

ASEAN, set up in 1967 for regional economic cooperation, groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

Thai Minister, Baker on ASEAN-U.S. Dialogue

BK2407043491 Kuala Lumpur BERNAMA in English 0411 GMT 24 Jul 91

[Text] ASEAN opened its dialogue with the United States Wednesday by welcoming the trend towards increased and expanded ASEAN-U.S. cooperation beyond trade and economic activities.

"The horizon of ASEAN-U.S. relations is steadily expanding amidst a new era of relaxed tension and increased cooperation," said Thai Foreign Minister Asa Sarasin, who is the ASEAN coordinator for the dialogue with the United States.

He said ASEAN also welcomed the new trend in ASEAN-U.S. development cooperation which gave priority to regional economic growth and the role of the private sector.

He noted that in the past year, trade and investment promotion activities of the two parties had made progress under the implementation of the private sector.

"The Private Investment and Trade Opportunities (PITO) project is becoming a model for other dialogue partners in promoting the role of the private sector in their development cooperation," he added.

Referring to their cooperation in international fora, he said ASEAN applauded President Bush's commitment for the early conclusion of the Uruguay Round of the multilateral trade negotiations, which stalled in Brussels last December.

"ASEAN hopes that both sides would adhere to the multilateral approach and refrain from using any unilateral measures that could affect the climate of trade and investment conducive to the growing economic cooperation in both regions. [no end quote marks as received]

Noting U.S. Secretary of State James Baker's personal interest in the Asia Pacific Economic Cooperation (APEC) forum, Asa said ASEAN looked forward to a thorough discussion with him and other ministers in Seoul later this year. Thailand, he said, would host the APEC ministerial meeting in 1992.

Baker, who led the U.S. delegation to the talks, noted in his remarks that the formation of APEC 20 months ago was another signal of the vitality of the Asia Pacific region, stimulated by the vast economic flows linking their economies.

"It is vital for the APEC countries as a group to work together for our mutual goal of freer trade worldwide, and particularly for a successful conclusion of the Uruguay Round," he said.

Reaffirming the U.S. commitment to its longstanding relations, individually and collectively, with the ASEAN countries, he said the United States would continue to work with the grouping to make APEC succeed.

Like ASEAN, Baker said, the United States welcomed the peace process on the Cambodian question, but they must not accept partial solution.

He again underscored the American concern over the military rule in Myanmar [Burma].

"We view with dismay the situation in Burma, where a self- appointed military leadership regularly violates basic human rights and has blatantly ignored the people's voice as clearly expressed in popular elections.

"We regret that a country with such great potential for economic advancement and cultural achievement has shut itself off from the society of nations by its political brutality and economic disintegration," he added.

Baker Against Changing Asia-Pacific Security

BK2407100091 Kuala Lumpur BERNAMA in English 0935 GMT 24 Jul 91

[Text] Kuala Lumpur, July 24 (OANA-BERNAMA)—United States Secretary of State James Baker has cautioned against changing or discarding existing security arrangements in the Asia-Pacific region amidst intense interest among countries for new arrangements to enhance security in the region.

The region had been enjoying a remarkable degree of stability by having tried and time-tested security arrangements, he told a joint press conference with ASEAN foreign ministers and their seven dialogue partners at the end of their three-day annual post-ministerial conference (PMC) here Wednesday.

"We ought to be careful about changing those security arrangements or discarding them for something else unless we are absolutely certain that something else is better or will work," he said.

Security in the Asia-Pacific region was discussed for the first time in more specific terms at this year's conference, including a Japanese proposal for a senior officials group among the six ASEAN countries and their dialogue partners which would meet annually on security issues and report to the PMC.

Baker also rejected the notion that there had been substantial change in present security arrangements in Southeast Asia following the United States decision to quit Clark Air Base in the Philippines following serious damage caused by the erupting Mt. Pinatubo volcano.

He said that with Clark Air Base being phased out, the U.S. would enhance its Naval base in Subic Bay, also in the Philippines.

"The U.S. will remain firmly committed to the security relationship in this region and other regions in the world and we remain firmly committed to the region as in other regions politically, economically, and from the security standpoint," he added.

Asked on Canada's proposal for a security arrangement in the North Pacific, Canadian Secretary of State for External Affairs Barbara McDougall said it did not conflict with the Japanese proposal but could complement existing arrangements in response to changes in the region.

She said Canada, with its long Pacific coast, did not have its own regional security organisation to deal with issues of concern given changes in countries like the Soviet Union and China.

Australian Foreign and Trade Minister Gareth Evans said the reason why the dialogue partners wanted the PMC to attach greater attention to security was premised on changes taking place among the superpowers and major powers like China which had brought about a more dynamic and fluid environment.

"There is no reason why we cannot think of adding to those linkages by additional points and connections between countries," he said.

Canada, Members Sign 3 Cooperation Agreements

BK2407044191 Kuala Lumpur BERNAMA in English 0414 GMT 24 Jul 91

[Text] Kuala Lumpur, July 24 (OANA-BERNAMA)—Canada and ASEAN Wednesday signed three memoranda of understanding [MOU], worth Canadian $24 million, for cooperation in the areas of marine science, fisheries, and solar energy.

Canada was represented by Secretary of State for External Affairs Barbara Mcdougall and ASEAN by Brunei's Foreign Minister Prince Mohamed Bolkiah.

"These agreements confirm Canada's commitment to work with our ASEAN partners, including in the key area of the environment," Mcdougall said at the signing ceremony, held in conjunction with the 6 plus 1 session between ASEAN and Canada.

The MOUs, to be funded by the Canadian International Development Agency (CIDA), are on:

"Marine science aimed at defining ASEAN marine environments in terms of quality and integrity of marine life;

"To enhance the transfer and adaptation of fisheries post-harvest technology, upgrade fishery product quality control and inspection services, and increase fisheries post-harvest technology capability in ASEAN. Three regional centres will be established in Malaysia, Indonesia and Singapore;

"To promote commercially viable solar drying systems throughout ASEAN. Twelve sites will be selected in ASEAN countries to demonstrate the viability and efficiency of solar dryers in the region in the areas of agriculture, food processing and small-scale industry.

Australia Seeks Access to ASEAN Markets

BK2407060991 Hong Kong AFP in English 0520 GMT 24 Jul 91

[Text] Kuala Lumpur, July 24 (AFP)—Australian Foreign Minister Gareth Evans Wednesday sought greater access for Australian exports into the six-member Association of Southeast Asian Nations (ASEAN) with a market of some 300 million people.

Speaking at a meeting here with ASEAN foreign ministers, Mr. Evans said the region's rapid economic growth and recognised stability had rendered obsolete an earlier donor and recipient relationship between Canberra and ASEAN.

He said that while some ASEAN states had offered to reduce or bind their tariffs, such moves would not be comprehensive enough to benefit Australian exports or match Canberra's own dismantling of tariffs and non-tariff barriers begun in 1988.

ASEAN, formed in 1967 to promote regional economic cooperation, group's Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

With the exception of Brunei, whose economy is almost solely based on oil exports, the economies of the other ASEAN countries have posted rapid growth mainly by diversifying into industries.

ASEAN's rapid economic growth has on occasion prompted calls like Mr. Evans' for a more balanced relationship between the group and its major trading partners.

Mr. Evans is here with his counterparts from the United States, Japan, the European Community, South Korea, New Zealand and the European Community, [as received] all with major economic links with ASEAN, for annual talks focusing on security, political developments and trade and investments.

"It is disappointing that the market-access offers, which ASEAN countries have made in the Uruguay Round, would not greatly liberalise trade in areas of interest to Australia," Mr. Evans said.

Mr. Evans acknowledged that Australian investments in ASEAN were growing more slowly than ASEAN investments in Australia.

"However while ASEAN investment in Australia has been mostly in real estate, the money market and the stock market, Australian investment in ASEAN has been in the form of venture capital in industrial technology, minerals exploration and other areas of manufacturing," he said.

Mr. Evans told the ASEAN ministers during the hour-long meeting that he thought investments were low in both directions. "We need to promote two-way investments," he said.

Encourages Study of Neighbors

BK2407085791 Kuala Lumpur BERNAMA in English 0710 GMT 24 Jul 91

[Text] Kuala Lumpur, July 24 (OANA-BERNAMA)—Australia, in a veiled reference to its strained relations with Malaysia, said Wednesday it has started the ball rolling to get Australians to better understand their neighbours.

Its foreign and trade minister, Gareth Evans, acknowledging that cultural differences between Australia and ASEAN, still had the potential to create problems, said his country was encouraging young people to study the languages of its neighbours.

"(The) Indonesian, Malay, and Chinese (languages) are now widely studied in Australian schools and universities and Thai has begun to be introduced," he said in his opening remarks at the dialogue between ASEAN and Australia at the annual post-ministerial conference (PMC) here.

He said more Australians should realise that the "normal, robust behaviour" of the Australian media could have "quite unintended consequences" in a society where different norms prevailed.

Addressing the inaugural dinner meeting of the Malaysia-Australia business council here on Monday, Evans had admitted that a number of different groups in the Australian media, Parliament and some in the "pressure" groups had not only been insensitive to contemporary Malaysian realities but also downright insulting.

Australia had had problems with Indonesia and Thailand owing to its media's adverse reports on those countries.

At the dialogue Wednesday, Evans said Australia had paid particular attention to the expansion of cultural contacts and other people-to-people links with the ASEAN countries.

It also had an exchange programme to enable people in the Australian and ASEAN media to "become familiar with each others' methods of operations", he said.

Evans said that these were some of the measures that governments could take to promote an understanding of how other societies worked.

"Governments do not have it in their power to legislate these cultural differences out of existence," he added.

He said the Australian Government took "very seriously" its responsibility of making Australians more familiar with their neighbours and institutions, "all the more as the process of education and familiarity is a long-term affair".

In the same breath, Evans also called for more formal study in Southeast Asia of Australia and its culture, saying that better understanding of the ASEAN cultures in Australia would have little impact without the ASEAN peoples understanding the "distinctive features of Australian life".

Referring to economic links, Evans said there was a need for both ASEAN and Australia to concentrate on promoting two-way investment.

Philippines' Manglapus To Lead Mission to Burma

BK2407084391 Kuala Lumpur BERNAMA in English 0731 GMT 24 Jul 91

[Text] Kuala Lumpur, July 24 (OANA-BERNAMA)—Philippine Foreign Secretary Raul Manglapus will lead an ASEAN mission to Myanmar [Burma] as part of the grouping's "calculated move" to bring about change in that military-ruled Southeast Asian country.

"Myanmar belongs to the family of Southeast Asian countries and we want to help them, rather than point an accusing finger at them," said Indonesian Foreign Minister Ali Alatas as the ASEAN six brushed aside the American and Western call to the grouping to influence, individually or collectively, the military government of Myanmar to return to popular rule.

He told a joint press conference at the end of the ASEAN dialogue with its seven partners Wednesday that Manglapus has a long-standing invitation to visit Myanmar and the ASEAN foreign ministers felt that this would be a "good opportunity" for the grouping to approach Myanmar.

Manglapus is the incoming chairman of the ASEAN Standing Committee.

U.S. Secretary of State James Baker, who had made a bid for support from the ASEAN and its partners during their dialogue to return Myanmar to the elected assembly, said Washington would like ASEAN to use its influence "to move Burma to a greater respect for human rights, respect for the just-concluded election, free political prisoners, and provide some semblance of economic progress for the Burmese people."

"Our position differs from that of ASEAN but we will disagree agreeably ...," he said in response to questions.

Malaysian Foreign Minister Abdullah Badawi said ASEAN countries felt that they should be making inroads into Burma economically and psychologically.

"We only differ on the question of modalities in the approach to Burma (with the U.S. and the other dialogue partners) but we know the situation in Myanmar," he said, adding that any pressure on Myanmar would not help because economically the country was not doing well.

"ASEAN therefore feels that they should resort to other measures to make inroads into Myanmar economically and psychologically," he said.

Thai Foreign Minister Asa Sarasin said the grouping believed that isolating Myanmar would not bring about positive changes there that they had hoped for.

"We should not pressure them but engage them in discussions and consultations," he said, adding that the ASEAN hoped that Myanmar would contribute to peace and stability in the region and "hopefully become a member of ASEAN."

Manglapus said the ASEAN approach to Myanmar was a calculated one, comparing it to the approach adopted by the Western countries towards the liberalisation of some East European countries.

U.S., Australia on Cambodia 'Partial Solution'

BK2407094091 Kuala Lumpur BERNAMA in English 0839 GMT 24 Jul 91

[Text] Kuala Lumpur, July 24 (OANA-BERNAMA)—The United States and Australia said Wednesday they did not believe in a partial solution to the Cambodian question and affirmed their support for a comprehensive settlement of the problem.

"Any short cut will only lead to a partial solution," U.S. Secretary of State James Baker cautioned when answering a question at a joint press conference at the close of the three-day dialogue between ASEAN and its seven trading partners.

Australian Foreign Minister Gareth Evans said "a partial solution is a non-solution."

Baker had said in his opening remarks at the ASEAN-U.S. dialogue that the U.S. was encouraged by the signs of progress towards settlement of the Cambodian question and added that it was committed to participating in the "long and sometimes arduous" process of reaching that settlement.

"Like you (ASEAN), we recognise the importance of our final goal—affording the Cambodian people the opportunity to choose their own government by means of free and fair elections under UN supervision," he had said.

Meanwhile, a Malaysian official said Malaysia had not decided on when to accredit its representative to the Supreme National Council (SNC), the interim council of Cambodia's four warring factions pending UN-supervised elections.

He said Malaysia would wait for the next meeting of the ASEAN senior officials before making a decision on the matter.

The ASEAN foreign ministers, at the start of their two-day annual meeting last Friday, issued a statement welcoming the progress made in the Phatthaya and Beijing talks of the SNC, which is headed by Prince Norodom Sihanouk.

They also said that they would accredit their representatives to the SNC.

Conference sources said Thailand planned on opening a diplomatic mission with an ambassador in Phnom Penh probably next week.

Malaysia 'Convinced' EAEG To Become Reality

BK2407095491 Kuala Lumpur BERNAMA in English 0922 GMT 24 Jul 91

[Text] Kuala Lumpur, July 24 (OANA-BERNAMA)—Malaysia said it was convinced the proposed East Asia Economic Group (EAEG) would become a reality because ASEAN's major trading partners had not rejected it at their annual dialogue here which concluded Wednesday.

Its foreign minister, Abdullah Badawi, said the dialogue partners, who had previously not understood the objective of the proposed grouping, had reacted positively and were prepared to study the matter.

"United States Secretary of State James Baker had received an explanation on the EAEG from Prime Minister Dr. Mahathir Mohamed," he told a press conference after the conclusion of the dialogue, formally called the post-ministerial conference (PMC).

He described as a positive response the assurance by Baker that the U.S. would study the proposal.

At the joint press conference after the dialogue, Baker said he had a clearer picture of the objective of the proposed EAEG after his meeting with Dr. Mahathir. Baker had called on the prime minister Tuesday.

Abdullah said Japan had also responded positively to the EAEG, which has now been accepted as an ASEAN proposal.

He said Japanese Foreign Minister Taro Nakayama had, at a meeting with him, said that Japan would monitor the activities of the ASEAN working group on the EAEG.

He said the working group would submit a report to the fourth ASEAN summit in Singapore on Jan 27 and 28 next year.

Abdullah described as "successful" the PMC and the ASEAN ministerial meeting (AMM) held over the weekend.

Japan

Foreign Ministry Defends Aid to China

OW2307152091 Tokyo KYODO in English 1443 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—The Foreign Ministry on Tuesday defended Japan's aid to China as not contradicting its policy of restraining aid to nations threatening world peace by exporting arms or making nuclear weapons.

Foreign Ministry Spokesmen Taizo Watanabe told a news conference Tokyo is not obliged to ban official development assistance (ODA) to China despite a recently-introduced policy of regulating aid to countries engaging in international arms trade.

He was responding to a question on whether Beijing's reported sales of long-range missiles to pakistan and its plan to export missiles to Syria would lead Tokyo to suspend its ODA to Pakistan and Syria on the basis of its new policy.

Watanabe said Tokyo has been "asking and exchanging views with the Chinese Government as to their positions on the four-point policy we have been advocating."

"The response of the Chinese Government was positive in principle and that's something we are satisfied with," he said.

However, when pressed on the matter, he said even if senior Japanese diplomats did not automatically convey the policy to China, Beijing would have learned about it from media coverage of the April 12 announcement by Prime Minister Kaifu.

He said although Beijing did not pledge to halt its missile sales to Pakistan and Syria to qualify for Japanese aid, Tokyo hopes China and other ODA recipients will act in accordance with "the impact of the announcement" of Japan's policy.

Besides restricting aid to countries selling arms, the policy mandates a clampdown on ODA to countries maintaining high-level military expenditure, contravening international human rights standards, or developing nuclear, biological, or chemical weapons.

He said Japan will decide whether to stop aid to problematic nations when it sees "excessive accumulation" of arms by countries importing arms from Japanese aid recipients.

Hashimoto: Soviet Issue To Dominate IMF

OW2407122391 Tokyo KYODO in English 1003 GMT 24 Jul 91

[Text] Tokyo, July 24 KYODO—Finance Minister Ryutaro Hashimoto said Wednesday giving aid to the Soviet Union to help reshape its ailing economy will be a major topic at the annual meeting of the International Monetary Fund (IMF) slated for mid- October in Bangkok.

In a lecture at a Tokyo hotel, Hashimoto said Soviet plans for reform of its economy will be high on the agenda at the IMF meeting, with Soviet delegates participating.

The finance minister did not refer to the news of the Soviet Union's application for full IMF membership, but noted the IMF meeting will end with a clear definition of the so-called special associate status the Soviets may obtain with the Washington-based lending agency.

By applying to join the IMF, the Soviet Union wants to gain access to IMF financing for its switch to a market economy.

Leaders of Japan and six other economic powers agreed last week to offer the Soviet Union a chance to become a special associate of the IMF during a meeting in London with Soviet President Mikhail Gorbachev.

But the seven leaders stopped short of proposing full IMF membership. Special associate status would allow Moscow to draw on the IMF's economic expertise, but not obtain credit.

Looking back on the London meeting, Hashimoto said Japan succeeded in avoiding large-scale financial support to the Soviets as it wanted, but said whether to extend some monetary support is now going into an "extra innings."

Japan has opposed large-scale financial support due to a territorial dispute with Moscow over four islands off Japan's northernmost main island of Hokkaido, seized by the Soviet Army at the end of World War II.

Dispute Over U.S. Auto Parts Prices Research

OW2307150191 Tokyo KYODO in English 1350 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—Japanese negotiators at bilateral trade talks on automobile parts Tuesday refuted U.S. research showing parts are more expensive in Japan than the United States because the Japanese market is closed, Ministry of International Trade and Industry (MITI) officials said.

On the first day of the two-day market-oriented sector-selective (MOSS) trade talks on car parts, the Japanese side told U.S. officials their method of comparing prices is not adequate, the officials said.

As agreed in an action program last year, the two sides conducted separate research on auto parts prices in each other's country earlier this year.

The U.S. researchers reported last month that parts prices in Japan are hundreds of times higher than in the United States.

But the Japanese side argued, for example, that for most Japanese consumers, installment fees are combined with the actual prices of parts.

On the other hand, many American consumers buy auto parts from stores and fix their cars by themselves, the Japanese negotiators said.

Prices should be compared considering the different situations, they said, adding the U.S. report lacks such a perspective.

U.S. reaction to the Japanese assertions was not known, according to the MITI officials, who said discussions on many issues are not completed.

The U.S. and Japanese negotiators got together to review the action program, which aims at increasing the use of U.S.-made car parts by Japanese automakers.

The MITI officials said in the working-level discussions Tuesday, both sides assessed each other's progress and mapped out issues to be discussed next day at high-level talks.

The U.S. side brought up the issue of increasing Japan's imports of U.S.-manufactured automobiles, the MITI officials said.

The matter falls outside the agenda of the MOSS talks on auto parts trade, but the two sides have agreed to discuss it on the same occasion.

The U.S. negotiators said they want more details on safety standards and exhaust emission for automobiles.

The United States has complained such standards are too strict and obstruct American cars from penetrating the Japanese market. They will probably request Japanese and U.S standards be brought to a similar level, the MITI officials said.

The two countries have agreed in general they will cooperate in correcting the U.S. trade deficit with Japan, which reached 41 billion dollars in 1990. Roughly two thirds of the trade deficit is related to automobiles and auto parts.

While agreeing overall progress has been made in increasing opportunities for U.S. parts suppliers to get access to Japanese auto production, the U.S. side is expected to push Japan to further boost its imports of manufactured vehicles in the second day of discussions.

Michael Farren, U.S. undersecretary of commerce for international trade, and Noboru Hatakeyama, Japanese vice minister of international trade and industry, will lead Wednesday's talks, the officials said.

U.S. Firm's Direct Business Request Rejected

OW2307001591 Tokyo KYODO in English 2343 GMT 22 Jul 91

[Text] Tokyo, July 23 KYODO—Three major Japanese toy makers will reject a request by the Japanese arm of Toys"R"US Inc., a big toy retailer of the United States, to bypass wholesalers and enter into direct business ties, an industrial daily reported Tuesday.

The three Japanese toy makers are Bandai Co., Takara, Co., and Tomy Co., the Japanese-language NIHON KOGYO SHIMBUN said.

But the three companies said they may reconsider the issue should Toys "R" US significantly expand its sales in Japan, it said.

Meanwhile, Nintendo Co. plans to accept the direct business offer, but their products will be sold at retail prices, not wholesale prices as anticipated by Toys-"R"US, it said.

The issue could have some impact upon the follow-up negotiations of the Japan-U.S. Structural Impediments Initiative (SII) talks, in which Japan's business custom will feature as a major topic, the newspaper said.

Technology Transfers to Taiwan To Increase

OW2207134291 Tokyo KYODO in English 0723 GMT 22 Jul 91

[Text] Tokyo, July 22 (KYODO)—Japan will increase its transfers of technology to Taiwan in an attempt to reduce Taiwan's mounting trade deficit with Japan, the Ministry of International Trade and Industry (MITI) said Monday.

Under consideration are production technologies of such products as semiconductors, optical fiber, and liquid-crystal television sets, ministry officials said.

Since Japan has no official diplomatic relations with Taipei, Tokyo will export the technologies through the Interchange Association, Japan's de facto consular office vis-a-vis Taiwan, and other private economic organizations as soon as Taiwanese authorities agree on the plan, the officials said.

Taiwan's trade deficit with Japan has steadily increased since 1986, hitting a record high 7 billion dollars last year.

Last June, Taipei announced a nine-point regulation scheme on imports from Japan, but it has not proven very effective. In the first half of this year, Taiwan's trade deficit with Japan reached about 3.8 billion dollars.

The trade ministry officials attributed the huge trade imbalance to Taiwan's industrial structure, under which it must import expensive production machines and tools from Japan in order to export manufactured goods.

As a result, MITI decided that to promote the change in Taiwan's industrial structure, Japan should help it develop high-technology industries rather than labor-intensive ones, the officials said.

Ex-Im Bank Extends Loans to Mexico, Indonesia

OW2307144491 Tokyo KYODO in English 1032 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—The Export-Import [Ex-Im] Bank of Japan said Tuesday it has signed agreements to extend a total of 141.7 billion yen in loans to Mexico and Indonesia to finance electric power projects in the two countries.

The government-financed bank said the loans included a syndicate loan of up to 64.2 billion yen to Mexico's Nacional Financiera, S.N.C. to finance construction of a thermal power plant.

The Ex-Im bank will put up 60 percent of the fund and nine commercial banks, including Mitsubishi Bank, will offer the remainder.

The bank said 77.5 billion yen will be provided to Indonesia, of which 60 percent will come from the Ex-Im bank and the remainder from 12 financial institutions, including commercial banks and insurance firms.

The fund will be used by the Indonesian Government to build a 1,500 megawatt thermal power facility on the main island of Java, the bank said.

Government Withdraws Aid Workers From Peru

OW2307083191 Tokyo KYODO in English 0708 GMT 23 Jul 91

[Text] Lima, July 22 KYODO—A Japanese governmental mission told Peruvian President Alberto Fujimori on Monday that Japan plans to temporarily withdraw some Japanese aid workers from Peru in the wake of a guerrilla attack that killed three Japanese engineers.

Mission officials told reporters that Fujimori agreed to the Japanese plan, although the mission did not detail the exact number of workers to be withdrawn.

The mission organized by the Foreign Ministry and the Japan International Cooperation Agency (JICA) is visiting Peru to investigate the safety of Japanese nationals including aid workers.

The officials said 53 of 87 aid workers in Peru sent from Japan are living outside Lima and poor communications there threaten their safety.

More than half of 30 experts living in Lima and rural areas also complain of anxiety about their safety, the officials said.

The "Shining Path" guerrillas shot dead three Japanese aid officials working at an agricultural center financed by Japan on July 12.

The Maoist guerrillas, in a terror campaign, have killed six foreign aid workers in the last two months.

LDP, Opposition Formally Agree on Diet Session

OW2307112191 Tokyo KYODO in English 1037 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—The ruling Liberal Democratic Party (LDP) and three opposition parties formally agreed Tuesday to convene an extraordinary Diet session on August 5, officials of the parties reported.

The LDP, Social Democratic Party (SDP), Komeito, and Democratic Socialist Party (DSP) reached an agreement during a meeting among chairmen of the parties' Diet policy committees, the officials said.

However, the chairmen will hold another meeting Friday since they failed to agree on the length of the session.

The LDP proposed a 75-day session until October 18 while the opposition parties claimed 50 days are enough.

The opposition parties also called for establishment of a research panel to investigate the scandal sweeping Japan's securities industry and for the summoning of sworn witnesses before the Diet, the officials said.

Seiroku Kajiyama, chairman of the LDP's Diet Policy Committee, was quoted as saying the party will take a flexible stance on the issue, saying the Diet should first call unsworn witnesses and then consider if summoning sworn witnesses is necessary.

On Prime Minister Toshiki Kaifu's plan to attend the September 22-25 United Nations General Assembly, Kajiyama said Kaifu would give the Diet session priority.

The officials said the opposition parties were also positive toward establishing a special panel on political reform.

Kaifu Urges Tanabe To Tackle Political Reform

OW2307113891 Tokyo KYODO in English 1049 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—Prime Minister Toshiki Kaifu urged newly elected Social Democratic Party Chairman Makoto Tanabe on Tuesday to shift from internal party reform to addressing the government's proposed sweeping political reforms.

"Tanabe's election signals acceptance of party reforms, so I hope the SDP will be able to fully debate political reform in the Diet. I'm hoping for a good fight," Kaifu told reporters.

Kaifu, whose two-year term ends in October, has cited political reforms aimed at routing costly election tactics and promoting policy debate as his cabinet's top priority.

Chief Cabinet Secretary Misoji Sakamoto, speaking at a separate news conference, said he hoped that Tanabe would implement the party reform plan to keep pace with changing international circumstances.

Tanabe led the party committee on reforms which last month unveiled policies that acknowledged the existence of the Self Defense Forces, long-regarded as unconstitutional by the leading opposition party.

The shift was a key issue of contention during the 13-day campaign against Tetsu Ueda, who objected to the change.

Former Deputy Prime Minister Shin Kanemaru of the Liberal Democratic Party, a close associate of Tanabe from their days in planning strategies for Diet debate, said the socialists had chosen a "fine leader."

Kanemaru, head of the largest LDP faction, that of former Prime Minister Noboru Takeshita, said he hoped that despite the close election the SDP would realize reforms and meet public expectations.

"As a political party, it is natural that the SDP would seek to grasp power in the next generation," Kanemaru said.

Kanemaru has in the past called for forming a coalition government, citing public dissatisfaction with both the LDP, which has been involved in periodic scandals, and the SDP, which has been criticized as lacking policies.

Tanabe's Election, Reform Plan

OW2307181391 Tokyo KYODO in English 1246 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—Social Democratic Party (SDP) Chairman-elect Makoto Tanabe said Tuesday his election victory indicates support for a party reform plan from full and associate party members.

Tanabe, 69, a 10th term veteran parliamentarian, made remarks at a press conference shortly after a party election control committee declared he beat rival candidate Tetsu Ueda, 63.

The committee announced the final tally, saying Tanabe received 46,363 votes (56.05 percent of 82,721 ballots) against Ueda's 36,358 (43.95 percent).

The turnout of voters in the noncompulsory polling accounted for 71.72 percent of 119,568 eligible full and associate party members, who cast votes across the country on Sunday and Monday, the committee said.

Tanabe's margin of victory in the election for chairman of Japan's largest opposition party was much narrower than many political analysts had predicted.

He said the margin of the election win indicated some party members misunderstood and criticized proposed policy reforms on the Self-Defense Forces (SDF) and the Japan-U.S. Security Treaty.

Tanabe, a right-wing party leader, said he will make every effort to enable more party members to understand the reform plans before an extraordinary party convention to be held on July 30 and 31.

The party convention will make a formal endorsement of Tanabe's victory as chairman over Ueda.

Regarding the SDF and the Japan-U.S. Security Treaty, Tanabe said he will make gradual advances on the two issues in consideration of "the pacifist constitution and Japanese history."

He said, "I will tackle the Japan-U.S. Security Treaty with the security of Asia in mind," while his leadership will make a concrete plan on the SDF in an upcoming shadow cabinet, expected to be set up for the first time in the party's history.

Tanabe, who led the party's reform committee, said, "I am determined to carry on the party reform to pave the way for seizing power from the ruling Liberal Democratic Party."

Tanabe called on party members to unite and carry on a party reform plan, which center-leftists and leftists in the party have accused of being tantamount of recognizing the existence of the SDF and the Japan-U.S. Security Treaty.

Tanabe said the new leadership will scrap a seniority system on party posts, adding it will carry out "a policy of giving a right post to a right party member."

Meanwhile, election loser Ueda told reporters that Tanabe's election victory does not mean party members endorsed party reforms.

Ueda, a SDP center-left member, indicated he will run in the party chairmanship election again as Tanabe's term of office expires in the regular party convention to be held next December.

Ueda, a House of Representatives member, said he will decide to stand against Tanabe in a future election unless the party's reform plan is greatly changed.

Tanabe will be the 11th leader of the party, which was founded in 1955. He will succeed outgoing Chairwoman Takako Doi.

Doi, who became the first woman to head a major Japanese political party in 1986, is resigning to take responsibility for the party's defeat in nationwide local elections last April.

The 13-day chairmanship election campaign started on July 8 when Tanabe and Ueda filed as candidates in the election to choose a successor to Doi.

Ueda, a former union leader at Japan Broadcasting Corp. (NHK) during an earlier career as a journalist, campaigned against the party's reform plan, arguing that accepting the reforms means abandoning the constitution.

He charged the plan will lead to virtual recognition of the SDF and of the Japan-U.S. treaty.

Tanabe rejected Ueda's accusation, saying that his reform proposals merely acknowledge current realities, and do not necessarily constitute recognition of the SDF or support for its expansion.

The SDP has traditionally maintained that both the SDF and the treaty violate the constitution, which renounces "the threat or use of force as a means of settling international disputes" and says, "land, sea and air forces ... will never be maintained."

Tanabe, who until recently led the SDP's largest group, Suiyokai, was first elected to the lower house from Gunma Prefecture, about 100 kilometers north of Tokyo, in 1960.

Tanabe served as secretary general under Doi's predecessor, Masashi Ishibashi, between 1982 and 1986, and has been a party vice chairman since April 1990.

Reaction to Stock Scandal Continues

Big Brokers Resubmit Reports

OW2307144891 Tokyo KYODO in English 1126 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—Japan's "big four" brokerage houses presented the Finance Ministry with revised securities records which reflect more than 120 billion yen in reimbursements to favored clients for trading losses.

The corrected forms, covering one and a half years until fiscal 1989 ended March 1990, records a total of 124.4 billion yen, which was disguised as other costs in the original reports.

But the figure excludes another 3.9 billion yen that two of the four brokerages, Nikko Securities Co. and Daiwa Securities Co., paid by allocating securities to preferred clients in the form of newly issued convertible bonds and shares [cbs].

This means that the actual payouts amount to at least 128.3 billion yen, securities industry sources said.

The sources said the acutual payouts may be even bigger, since Nomura Securities Co. and Yamaichi Securities Co., like the other two, may have made some compensations in stocks or cbs.

Both Nomura and Yamaichi did not disclose the figures for such allocation, with a Nomura executive saying that "they are part of usual transactions."

The four companies' stock loss compensation, along with links two of them had with gangsters, has developed into the worst stock scandal in the history of the Tokyo Stock Market, causing the sudden resignations monday of Nomura Securities Co. Chairman Setsuya Tabuchi and Vice Chairman Yoshihisa Tabuchi.

According to the revised records, Nomura paid 27.5 billion yen to 49 companies, Nikko paid 33.1 billion yen to 59, Daiwa paid 22.1 billion yen to 57, and Yamaichi paid 45.6 billion yen to 66. There were 231 companies compensated, and their names have not been made public.

The revised reports showed stock-loss compensation more clearly, under the names of "costs and profits involved in maintaining business ties" or "costs involved in canceling business ties."

The original forms reported them as securities trading losses or nonoperational expenses.

But the four companies failed or refused to count payments in the form of securities allocations as compensation.

Arguing that such allocations are not losses, Nikko and Daiwa excluded their 3.9 billion yen allocation from the corrected forms.

The sources said second-tier brokerage houses will follow the big four and present similar papers to the ministry later this week.

Ministry Urges List Published

OW2407084291 Tokyo KYODO in English 0444 GMT 24 Jul 91

[Text] Tokyo, July 24 KYODO—A Finance Ministry official said Wednesday the ministry is urging major securities companies to voluntarily publish lists of corporate clients they compensated for trading losses.

Officials said Nobuhiko Matsuno, director general of the ministry's securities bureau, made the statement regarding the recent scandals involving Japan's major stock brokerages at a joint meeting of panels of the ruling Liberal Democratic Party [LDP].

Nomura Securities Co., Nikko Securities Co., Daiwa Securities Co., and Yamaichi Securities Co. have admitted compensating favored clients for trading losses.

The panels, the finance division of the Policy Research Council and the investigation committee for the finance and banking systems, decided at the meeting to create a new committee to look into the scandals.

At the meeting, panel members urged more openness and fairness in the securities industry, officials said.

The LDP's new committee is expected to start major discussions next week. Officials said the discussions will cover the proposed creation of an independent organization to regulate the securities industry, similar to the U.S. securities and exchange commission, and the proposed strengthening of securities trading laws.

Meanwhile, a Nomura official said the company has a moral obligation to protect its clients and is no position to meet a Finance Ministry request for publication of details on compensation.

Officials of some second-tier securities companies, however, say they would have no choice but to comply with such a request.

Hashimoto on New Bill

OW2407031691 Tokyo KYODO in English 0236 GMT 24 Jul 91

[Text] Tokyo, July 24 KYODO—Finance Minister Ryutaro Hashimoto said Wednesday a bill to amend the Securities and Exchange Law will be submitted to an extraordinary Diet session to start in early August.

The revised securities law will explicitly prohibit reimbursement of losses to clients by securities companies as well as transactions where clients entrust brokerage houses with all the decisions concerning investment, a business practice believed to be a cover for compensation for losses, Hashimoto told a press conference.

Hashimoto earlier pledged to amend the law to prevent a recurrence of the latest scandal involving covering of losses by brokerages for their big corporate clients.

The Finance Ministry has embarked on a sweeping review of its inspection system on the entire financial market, not just the securities industry, to boost its checking power against any misconduct in the markets, Hashimoto said.

But he expressed a negative attitude toward introducing an independent watchdog organization for the securities industry similar to the U.S. Securities and Exchange Commission (SEC).

Hashimoto said the registration system on which the SEC is based "does not fit in well" with the Japanese market.

Turning to technological assistance to the Soviet Union, Hashimoto said Japan cannot decide on this until the economic and industrial system in the country, especially the relationship between the central government and the republics with regard to taxation and foreign debts, becomes clearer.

He said he asked Soviet officials about these points in London after the summit meeting but did not get any clear answers.

Hashimoto also said he cited the problem of how to ensure that the technology provided by Western countries to Soviet civilian industries will not find its way into the military sector.

The Soviet officials said they have never thought of the problem and promised to come up with a proposal before a further meeting, according to Hashimoto.

Firms Urged To List Names

OW2407104291 Tokyo KYODO in English 0843 GMT 24 Jul 91

[Text] Tokyo, July 24 KYODO—Finance Minister Ryutaro Hashimoto said Wednesday he expects the big four brokerage houses to voluntarily disclose the names of the companies they compensated for investment losses, echoing a similar remark made by a senior ministry official.

Nobuhiko Matsuno, director general at the Finance Ministry's Securities Bureau, told Diet leaders earlier that he was trying to persuade the brokerages to release the names.

In a speech given at a Tokyo hotel, Hashimoto acknowledged that there are growing calls for the disclosure of the names of corporations receiving such compensation, but cited the duty of public servants to protect privileged information.

The finance minister said he felt responsibility for his ministry's failure to oversee the brokerage houses and voiced his determination to move quickly to revise the securities and exchange law to prevent a recurrence of such scandals.

"We would be substantiating the (foreign) argument that Japan is an opaque nation if a proposal for a revised securities and exchange law is not submitted soon to map out a blueprint for a regulatory system," he said.

In reference to the Diet's special session starting on August 5, Hashimoto said the scandal would be subject to serious debate before the Diet, but noted that such debate must be undertaken separately from other key pending issues.

He said debate on proposals for political reforms and Japan's contribution to United Nations peacekeeping operations should not be postponed in order to discuss the scandal.

The scandal of loss compensation by the major brokerage houses to favored corporate clients is expected to provide the focus at the special Diet session as the House of Representatives' Finance Committee is to call Finance Ministry officials to explain about the scandal.

MOF Urged To Disclose Names

OW2407104391 Tokyo KYODO in English 0904 GMT 24 Jul 91

[Text] Tokyo, July 24 KYODO—An influential business leader urged the Ministry of Finance [MOF] Wednesday to disclose the names of corporations which received payouts from brokerages to cover their market losses.

Takeshi Nagano, chairman of the Japan Federation of Employers' Associations (Nikkeiren), told a news conference it would be better for a competent government organ to disclose their names and he would not oppose the Finance Ministry doing so.

Any mistake made by securities firms in disclosing the names of their favored clients would be irrevocable, he said.

Nagano said disclosures should be made after a certain period of time to give officials of the corporations involved an opportunity to make comment.

It would be best if the corporations concerned identify themselves before the Finance Ministry does, he said.

Nagano expressed hope that the Federation of Economic Organizations (Keidanren) would take the initiative in pressing the corporations to identify themselves.

His remark conflicted with a view expressed by Gaishi Hiraiwa, Keidanren chairman, that the matter should be left to the discretion of each company involved in the affair.

Nagano said he favors establishment of a watchdog body similar to the U.S. Securities and Exchange Commission to prevent a recurrence of the scandal but expressed hope that the business community will form a monitoring system voluntarily.

Report: Economy in 'Good Shape' in 2d Quarter

OW2307115891 Tokyo KYODO in English 1012 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—Japan's economy has entered the second quarter of fiscal 1991 in good shape, with reduced inflationary pressures expected to pave the way for a moderate expansion, the Bank of Japan (BOJ) said Tuesday.

The bank said in a report that brisk domestic demand will continue to propel the economy, but the supply-demand balance in labor and commodity markets are showing signs of softening slightly.

While capital and consumer spending remain strong, housing starts and exports are declining, it said.

But the economy is generally healthy and economic expansion is expected to continue for the forseeable future, the bank said.

"Any serious threat of a rapid downturn is far down the road," said a BOJ official who briefed reporters.

He said, "The central bank's view on the economy has not changed from when it cut the official discount rate."

The BOJ lowered its benchmark rate by 0.5 percentage point to 5.5 percent annually on July 1 to sustain the economy's momentum.

"The rate cut was not prompted by any concerns about a major downturn," the official said.

The official, however, expressed his uneasiness with the weak domestic auto market.

The new car registration index, which dropped a sharp 11.6 percent in June, has not picked up this month depsite the launching of new models by some major makers, he said.

However, he added, current stability in prices should help guarantee steady economic growth.

Lower Costs Urged To Gain Foreign Investment

OW2207140291 Tokyo KYODO in English 1246 GMT 22 Jul 91

[Text] Tokyo, July 22 (KYODO)—Japan must find ways to lower the fixed costs involved in direct investment if it wants to attract more foreign investors, according to a Japan Development Bank report released Monday.

"Broad measures are needed to promote direct foreign investment in Japan," it said.

The report pointed out that foreign investment in Japan remains overwhelmingly low, compared with Japanese investment abroad because prospective investors in Japan are put off by the exhorbitant costs of land and labor.

The cost of gathering data and recruiting personnel also are prohibitive, not to mention the financial burdens associated with overcoming various trading practices, it said.

In 1989, direct invesment in Japan totaled 9.2 billion dollars, almost triple the amount in 1980. In terms of Japan's gross national product (GNP), however, it has remained a flat 0.3 percent during the past 10 years, it said.

The figure contrasts sharply with Japanese investment overseas, which has surged to 5.3 percent of GNP in 1989 from 1.8 percent in 1980.

Japanese investors have been particularly active in the U.S., with investment there 3.6 times greater than U.S. outlays in Japan, according to the U.S. Department of Commerce figures.

The Ministry of International Trade and Industry has also called attention recently to the obstacles facing foreign companies seeking to invest in Japan.

The ministry's white paper on trade in 1990 said difficulty in competing with Japanese firms on their home turf and astronomical land prices posed the biggest barriers to foreign investment.

The high cost of labor and Japan's Keiretsu system of interlocking business groupings also hinder market entry by foreign companies, it said.

The Japan Development Bank report, however, noted there have been successes among foreign investors that offer models for those seeking to follow in their footsteps.

It noted that specialized manufacturers utilizing high-tech expertise and companies able to meet the demands of Japanese consumers have performed well as well.

Those that have adapted their management to suit local traditions have also enjoyed greater success, it added.

'Virtually Worthless' Warrants Worry Investors

OW2207164391 Tokyo KYODO in English 1450 GMT 22 Jul 91

[Text] Tokyo, July 22 KYODO—A growing number of investors stand to suffer huge losses on warrants which have been rendered virtually worthless by Japan's ailing stock market, securities industry sources said Monday.

Large amounts of warrant bonds have been issued since 1985 by Japanese corporations in order to avoid the high cost of borrowing from banks.

A warrant gives the holder the right to buy the issuing company's new stock at a set price during a specified period. Warrants are usually attached to a fixed-rate bond and traded separately from the underlying bonds.

As long as the price of the underlying stock remains above the preset price—called the striking price, the holder can make a profit by exercising the right.

The sources said nearly all of the investors who bought warrant bonds issued several years ago by five major Japanese corporations, including Dainippon Pharmaceutical Co., have suffered losses this year.

They said virtually all of the investors who purchased warrant bonds issued by seven other Japanese firms, including Nomura Securities Co., also are likely to take a financial beating for the rest of the year.

Share prices have tumbled sharply since last year, causing equity warrant issuers to see their stock prices drop far below the striking prices on the warrants.

As a result, many warrrant holders have been unable to exercise their right to buy stock at a feasible price.

Tateho Chemical Industries Co. issued 30 million dollars worth of Eurodollar warrant bonds in February 1986 at a striking price of 2,246.5 yen, far above the preset price of 600 yen. The deadline for exercising the warrant passed July 16, the sources said.

Sumitomo Special Metals Co., Hitachi Credit Co., Dainippon Pharmaceutical, and Kumiai Chemical Industry Co., also issued significant amounts of the now worthless warrants.

Yakult Honsha Co., TEC Electronics Corp., Intec Inc., Nomura Securities Co., Toshiba Ceramics Co., Shiseido Co., and Meiji Milk Products Co. were also named as major warrant issuing companies, they added.

Ministry Urges More Women, Young in Work Force

OW2307081991 Tokyo KYODO in English 0346 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—Japan will have to maximize the abilities of its female and young workers if it is to overcome a slackening in the growth of the available workforce, said a government report released Tuesday.

In its annual report on labor and the economy, the Labor Ministry said women in their 30's face more obstacles to staying in the workforce after marrying and having children than their counterparts in western countries.

The report, which is based on 1990 figures, said 62 percent of Japanese women aged 25-29 years work, while in the 30-34 age bracket only 51.7 percent are in employment, a 10.3 point drop.

This contrasts with the latest (1987) figures for France, which show that 75.7 percent of women in the 25-29 age bracket work while a marginally lower 72.2 percent of women aged 30-34 are in employment.

In the United States (1989 figures), 73.4 percent of women in the 25-29 age bracket work, which compares with 72.7 percent of women aged between 30 and 34.

The report said the tendency for Japanese women to leave the workforce once they marry or have a child has remained unchanged.

It said 75.7 percent of Japanese women aged 30-34 responded by saying that childbirth and child care make it difficult for them to continue their jobs.

The report said 64.2 percent of married women said that their ideal would be to marry, raise children and then return to the workforce later.

Working women accounted for just over half the overall female population, or 50.1 percent, for the first time in 21 years, the survey said.

The report also said that over the past decade more young people have shown a readiness to seek better working conditions by job- hopping.

Young people aged 15-19 who have at some time changed jobs increased from 21 percent of the work force in 1978 to 33.6 percent in 1989, the report said.

The majority of these cited incompatibility, low wages, poor working conditions, long working hours and unsatisfactory relations with colleagues as reasons for changing jobs, the report said.

A growing number of young and middle-aged workers intend to change jobs, the report added.

The report recognized the inevitability of young people changing jobs at some stage in their lives, but warned of the dangers of frequent job-hopping where there was no guarantee of future professional prospects.

The paper also noted a growth in interest in part time jobs which do not involve long term responsibilities and concluded that this reflects an interest in attractive lifestyles rather than careers.

It said 32.3 percent of young Japanese left their jobs without finding another job in advance, which compares with 20.2 percent of young Americans and 15.8 percent of young Britons.

Foundation To Promote Foreign Trainees in Japan

OW2307143391 Tokyo KYODO in English 1255 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—The Japanese Government and business community will establish a foundation aimed at encouraging companies to accept a greater number of foreign trainees, industry sources said Tuesday.

The foundation will work to ease the current domestic labor shortage, which has placed a special strain on smaller companies. It will also help boost Japan's assistance to developing nations, they said.

Sony Corp. Chairman Akio Morita, who will head the planned foundation, called for the business community's cooperation on the new project.

The Federation of Economic Organizations (Keidanren), the Japan Chamber of Commerce and Industry, the Federation of Electric Power Companies, along with other business and industry groups, will hold their first meeting around August 20.

The organization will be inaugurated in mid-September and begin operating on October 1 with support from the Ministry of International Trade and Industry, the Labor Ministry, and other government agencies.

Keidanren said the foundation should be able to increase the number of foreign trainees to 100,000 over five years from last year's 38,000.

Power Supply Possibly Not To Meet Demand

OW2307065691 Tokyo KYODO in English 0600 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—Japan's nine major electric power companies may be forced to walk a tightrope to meet a surge in demand for electricity this summer, industry officials said Tuesday.

They said the popularity of a major summer discount offer from the power companies to ease the demand-supply situation was unexpectedly low among large users this year.

The power companies introduced a special discount system, allowing them to reduce power supplies to large corporate users when demand grows sharply in summer.

The companies said the number of "emergency supply cut contracts" signed with corporate users for this summer totaled 1,375, up 43.5 percent from last year, but the volume of supply cuts under the contracts grew only 14.6 percent to a total of 8,489,000 kilowatts.

Some corporate users, including beer brewers and automakers, were strongly displeased last summer, when power supplies to their factories were reduced four times because of a sharp rise in power demand for air-conditioning, the power companies said.

They said they will have to operate their facilities at full capacity to avoid stoppages this summer.

New Indoor Antenna Receives Satellite Broadcasts

OW2307092591 Tokyo KYODO in English 0847 GMT 23 Jul 91

[Text] Osaka, July 23 KYODO—A subsidiary of Sumitomo Metal Industries Ltd. has developed a small antenna for use inside the home to receive satellite broadcasts, company officials said Tuesday.

Kashiwara Machine Manufacturing Co., based in Kashiwara, Osaka Prefecture, developed the 25 by 28 centimeter oblong antenna, officials said.

Current circular-shaped antennas in the market have a diameter of 33 centimeters and are attached outside the home to receive broadcast satellite signals.

The antenna also comes with a cable and a specially treated transparent plastic film to be placed on the inside and outside portion of a window in the room to pick up the broadcasting signal.

The company will begin selling the antenna package from July 25 at a retail price of 34,800 yen, officials said.

Toshiba Markets Two New Workstation Computers

OW2307065891 Tokyo KYODO in English 0517 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—Toshiba Corp. has begun selling two new desktop computer workstations based on Sun Microsystems' 32- bit reduced instruction set computer (RISC) microprocessor, company officials said Tuesday.

The company expects demand for engineering workstations in the Japanese market to grow 40 percent to 70,000 units in fiscal 1991 compared with the previous year, officials said.

The top-of-the-line desktop AS4050 model has a processing speed of 28.5 million instructions per second (MIPS), and comprises a 207 megabyte internal hard disk drive, expandable to 415 megabytes. It has a retail price of 2.45 million yen, excluding consumption tax.

The AS4025 processes 21.0 MIPS and has a standard 8 megabyte memory, which is expandable to 64 megabytes. It sells for 891,000 yen.

The company also introduced an enlarged main memory and hard disk drive in its AS4075 desktop workstation. The model sells for about 2.9 million yen.

The three computers are compatible with Toshiba's laptop engineering workstations, officials said.

RISC-based workstations are favored by scientists and engineers for performing superfast calculations but are now becoming popular with commercial businesses.

U.S.-based Sun Microsystems is the leading maker of computer workstations worldwide.

Group Adopts Standards for IBM PC Software

OW2307113291 Tokyo KYODO in English 1021 GMT 23 Jul 91

[Text] Tokyo, July 23 KYODO—Japanese electronics firms promoting development of personal computers compatible with IBM equipment said Tuesday they have decided on standard format for software for their machines.

The group said the format will be applied to four devices, including printers, keyboards and floppy disks to be used for their personal computers.

It said member firms will develop new models based on the standard format in the future.

A guide book for the development of software, now being compiled by the group, will be shown to software makers in September, the group said.

The group, known as the open architecture development group, was established in Japan last March to promote production of personal computers compatible with IBM models. It comprises 20 japanese and foreign computer makers, including Toshiba Corp., Hitachi Ltd., Matsushita Electric Industrial Co., and Mitsubishi Electric Co.

Only a few member firms, including Mitsubishi Electric Co., have so far introduced equipment compatible with IBM devices. Other members are expected to follow suit next year.

North Korea

Meetings on Consoling South 'Dissidents' Held

SK2207110491 Pyongyang KCNA in English 1023 GMT 22 Jul 91

[Text] Pyongyang July 22 (KCNA)—The Measure Committee for the Rescue of the Rev. Mun Ik-hwan and the Korean Committee of Struggle for the Release of Yim Su-kyong held a joint meeting on June 30 and decided to go and console Rev. Mun and coed Yim who are now suffering in prison on the occasion of the 46th anniversary of the August 15 national liberation.

Accordingly, Chong Chun-ki, chairman of the measure committee for the rescue of the Rev. Mun Ik-hwan, and Yo Yon-ku, chairman of the Korean committee of struggle for the release of Yim Su-kyong, in a telephone message to the "minister of the unification board" and the "minister of justice" of South Korea on July 19 notified them that the consolatory teams of school youth and children and of different circles of personages in the northern half of Korea consisting of 20 members each would be sent to South Korea respectively on July 25 and August 10.

These committees published the lists of the names of their members.

The consolatory team of school youth and children headed by Choe Hyon-tok, chairman of the Korean Student Committee, includes Choe Chong-chol, chairman of the Pyongyang Municipal Student Committee, Yon Kwang-taek, chairman of the League of Socialist Working Youth (LSWY) Committee of Kim Hyong-chik University of Education, Kang Chi-yong, a member of the students' committee of Kim Chaek University of Technology, Kye Pong-il, a student of Kim Il-song university, Yim Chong-kyu, a student of Pyongyang University of Foreign Studies, Kim Il-sin and O Un-pyol, pupils of primary class of Pyongyang Kumsong senior middle school No. 1, and Kim Chol-hak, a pupil of Sochang primary school in Pyongyang.

The consolatory team of different circles of personages headed by Yo Yon-ku, presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland, includes Kim Yong-ho, vice-chairman of the C.C. [Central Committee], Korean Social Democratic Party, Han Yong-su, vice-chairman of the C.C., Chondoist Chongu Party, Kim Yong-nam, vice-chairman of the C.C., General Federation of Trade Unions of Korea, people's journalist Pak Hyon-kyu, deputy general director of the Korean Central News Agency, associate professor and assistant doctor Yim Song-chu of Kim Chaek University of Technology, venerable Hwang Pyong-tae, vice-chairman of the C.C., Korean Buddhists Federation, Chong Myong-son, a councillor of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland, Kim Son-yong, an actress of the Korean film studio, and Ho Chong-sok, a housewife residing in Changsan-dong, Sosong District, Pyongyang.

Consolatory Delegations Leave for South 24 Jul

SK2407034391 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 24 Jul 91

[Text] A delegation of youths and students left Pyongyang at 0900 this morning to pay a consolatory visit to those who have fought for reunification, including student Yim Su-kyong and Rev. Mun Ik-hwan.

The delegation is composed of 20 members, including chief delegate Choe Hyon-tok, chairman of the Korean Students Committee.

The delegation left with comfort gifts and letters, full of compatriotic sentiment, sent by youths, students, and people across the Republic.

The consolatory delegation was seen off by Yo Yon-ku, chairwoman of the Korean Committee of Struggle for release of Yim Su-kyong; Paek Nam-chun, director of the secretariat of the Committee for the Peaceful Reunification of the Fatherland; and other functionaries concerned.

Various Groups Support National Reunification

SK2407112491 Pyongyang KCNA in English 1013 GMT 24 Jul 91

[Text] Pyongyang July 24 (KCNA)—Solidarity functions supporting the Korean people's struggle for national reunification are being held abroad in succession on the occasion of the June 25-July 27 month of anti-U.S. joint struggle.

A Cuban brigade commander, addressing a soldiers' meeting for solidarity with the Korean people held at the Unit 4895 of the Cuban revolutionary armed forces, charged that the U.S. imperialists who are occupying South Korea are rendering the situation on the Korean peninsula strained by continuously committing acts to provoke a nuclear war.

The party and armymen of Cuba set great store by the militant solidarity with the Korean people and armymen and sincerely support the cause of Korean reunification, he noted, adding:

The Cuban people will always stand by the Korean people in the struggle against the common enemy.

The chairman of the Darkhan Council of the Mongolian Federation of Peace and Friendship Organisations and the vice-chairman of the Mongolia-Korea Friendship Association, speaking at a solidarity meeting held in Mongolia voiced support to the struggle of the Korean people for national reunification and demanded the pullout of the U.S. troops and nuclear weapons from South Korea.

The secretary general of the Nigerian Union of Teachers after going round the Korean book and photo exhibition held in Nigeria demanded that the U.S. troops and nuclear weapons be withdrawn from South Korea without delay and the Korean peninsula be turned into a nuclear-free, peace zone.

The curator of the Damaia House of Culture in Amadora after seeing the Korean book and photo exposition held in Portugal stressed that the Korean people won the war against the United States and achieved a victory in socialist construction as well and the Korean people under the leadership of President Kim Il-song will achieve national reunification without fail.

Reportage on Japanese Delegates' Visit Continues

Further on Welcoming Rally

SK2407090991 Pyongyang Korean Central Broadcasting Network in Korean 1233 GMT 21 Jul 91

[Text] A Pyongyang city mass rally and plenary meeting was held in the afternoon of 21 July at the People's Palace of Culture to welcome the national delegation of the Dietmen's League for the Promotion of Japan-Korea Friendship. Respectfully placed at the forefront of the rally site was a portrait of the great leader Comrade Kim Il-song. Placed in the rally site were the slogans, "Long live the great leader Comrade Kim Il-song" and "Long live the glorious Workers' Party of Korea." Also placed in the rally site were the slogans, "We warmly welcome the visit to our country of the delegation of the Dietmen's League for the Promotion of Japan-Korea Friendship" and "Long live friendship and fraternity between the people of the two countries of Korea and Japan."

The rally was attended by Chong Chun-ki and Choe Mun-son, advisors to the Korea-Japan Friendship Association; Kim Yang-kon, chairman of the association; and Chong Sin-hyok, Kim Yong-ho, Kim Kuk-hun, and Yi Chol-sin, vice chairmen of the association, together with the working people in the city. Invited to the rally were members of the national delegation of the Dietmen's League for the Promotion of Japan-Korea Friendship headed by Hajime Ishii, chairman of the Dietmen's League for the Promotion of Japan-Korea Friendship, and suites.

When the Japanese guests came to the rally and plenary meeting site the participants warmly welcomed them with applause, and children presented bouquets to leading members of the delegation.

Advisor to the Korea-Japan Friendship Association Choe Mun-son, responsible secretary of the Pyongyang City Committee of the Workers' Party of Korea [WPK] and chairman of the Pyongyang City People's Committee, made a welcome speech at the rally.

[Begin recording] Esteemed Hajime Ishii and the Japanese guests: Today our Pyongyang citizens have gathered in this meeting, cherishing the joy of meeting close friends from Japan, a neighboring country, with pleasure and of sharing friendship with them. First, I, on behalf of the Korea-Japan Friendship Association and Pyongyang citizens, warmly welcome the visit to our country of the national delegation of the Deitmen's League for the Promotion of Japan-Korea Friendship. [applause]

The current visit to our country by a large-scale delegation from the Dietmen's League for the Promotion of Japan-Korea Friendship vividly shows your league's consistent stand to settle the abnormal relations between the two countries of Korea and Japan and to promote friendship between the people of the two countries. I firmly believe that your current visit to our country and the meeting between us will contribute to further deepening the mutual understanding between the people of the two countries and to developing new good-neighbor and friendship relations between the two countries in conformity with the demands of the times. [applause]

Over the past two decades since its organization in 1971 the Dietmen's League for the Promotion of Japan-Korea Friendship not only has adhered to the outstanding ideology of promoting the Japan-Korea friendship set forth by the league, but has also made active efforts to realize the Japanese people's demands to maintain friendly relations with our people, while overcoming all sorts of trials under complicated and arduous circumstances.

With the adoption of the historic joint declaration of the three political parties and with the increase of the ardent desire of the people of the two countries for improving relations between the two countries and for developing friendly relations with each other, the Dietmen's League for the Promotion of Japan-Korea Friendship has improved the League's organization into an influential organization formed with influential leading statesmen in Japan. Deputies of local assemblies who have come to our country this time as members of the delegation, as well, have made devoted efforts for the normalization of relations between Korea and Japan.

Your just efforts accord with the spirit of the joint declaration of the three political parties and with the flow of the times and, therefore, have won great support and consent from the people of the two countries. [applause]

We are very pleased to have numerous intimate friends like you in Japan, our good-neighbor country. I believe that during your visit you will witness the appearance of our people accelerating socialist construction, with firm conviction in the future, under the wise leadership of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il and vigorously struggling to achieve the independent and peaceful reunification of the country at the earliest possible date.

In our style of socialism centered on the popular masses which our people have chosen and which they have built with their own strength by embodying the chuche idea, the invincibility of the might of the single-minded unity of the leader, the party, and the masses has been firmly guaranteed. Under the leadership of the party and the leader our people will consummate to the end the cause of socialism, and they will achieve the historic cause of national reunification without fail with the entire nation's united strength. [applause]

Improving Korea-Japan relations and being on friendly terms with each other is not only the common desire of the people of the two countries, but is also of weighty importance in guaranteeing peace and security in Asia, Northeast Asia in particular.

Our people hope to unite with the Asian people, the Japanese people, and to make joint efforts with them for the building of a free and peaceful new Asia devoid of nuclear weapons, aggression, and war and for the development and prosperity of Asia.

If the two countries of Korea and Japan sincerely discuss the question of normalizing relations between them in conformity with the desire of the people of the two countries from an independent stand, this question will be smoothly solved in conformity with the spirit of the joint declaration of the three political parties.

I expect that the Korea-Japan Friendship Association and the Dietmen's League for the Promotion of Japan-Korea Friendship will take this opportunity to make their mutual ties closer in the future and to do more things for the common interests of the people of the two countries and for the normalization of Korea-Japan relations.

Concluding my welcome speech I sincerely wish you great success in your activities during the visit. Thank you. [applause] [end recording]

Chairman Kim Yang-kon delivered a report on Korean-Japanese relations at the rally and plenary meeting.

[Begin Kim recording] Respected Mr. Hajime Ishii and other members of the delegation of the Dietmen's League for the Promotion of Japan-Korea Friendship: Today, we are very pleased that for the first time after the Dietmen's League for the Promotion of Japan-Korea Friendship was formed, Mr. Hajime Ishii and various other Japanese dietmen and local councilmen have formed a large-scale delegation and visited our country. [applause]

The visit to our country by your delegation will be an important opportunity to promote understanding and friendship between the people of Korea and Japan and further strengthen and develop friendship and cooperation between Korea and Japan and relations of friendship and cooperation with the Dietmen's League for the Promotion of Japan-Korea Friendship.

During the plenary meeting and subcommittee meetings held during its stay, your delegation will extensively exchange views on the normalization of Korean-Japanese relations, the Korean residents in Japan, trade and economic exchanges, and cultural, artistic, academic, and sports exchanges with officials of our Korea-Japan Friendship Association. Our exchange of views will strengthen and develop exchanges and cooperation between the people of Korea and Japan in various fields and favorably affect the improvement of Japanese-Korean relations.

Dietmen from various Japanese political parties formed the Dietmen's League for the Promotion of Japan-Korea Friendship under difficult circumstances 20 years ago, made strenuous efforts to end the abnormal status of Korean-Japanese relations and develop friendship and cooperation between the people of Korea and Japan by carrying out positive activities, and carried out positive activities in support for Korea's independent, peaceful reunification.

In particular, the WPK, the Liberal Democratic Party [LDP] of Japan, and the Japan Socialist Party [JSP] released a historic three-party joint declaration on Korean-Japanese relations last year, and intergovernmental talks have taken place to normalize Korean-Japanese relations since then. As a result, the people of the two countries have grown more enthusiastic than ever for improving Korean-Japanese relations.

At that time, last February, the Dietmen's League for the Promotion of Japan-Korea Friendship became a large organization composed of the supreme advisers Mr. Shin Kanemaru and Mr. Makoto Tanabe and numerous other dietmen from various Japanese political parties, and even numerous local councilmen formed friendship league organizations and have positively carried out activities for Korean-Japanese friendship. [applause]

Today, 500 Japanese politicians have visited our country, and the politicians of the two countries got together and are having opportunities to extensively exchange their views in a friendly atmosphere. I think this is very important in developing relations of friendship and cooperation between the people of the two countries.

On this occasion, I highly assess the past righteous activities by the Dietmen's League for the Promotion of Japan-Korea Friendship and show my respect for this. [applause]

Our Korea-Japan Friendship Association has had ties with numerous dietmen and other personages in Japan and has persistently made efforts to develop relations of cooperation between the people of the two countries. In particular, our association and the Dietmen's League for the Promotion of Japan-Korea Friendship have visited each other in Tokyo and Pyongyang to hold talks, made sincere efforts to solve problems in Japanese-Korean relations, and favorably developed relations between the two organizations in this process.

For Korea and Japan to become adjacent and intimate countries from adjacent but distant countries is the unanimous desire of the people of the two countries and an urgent demand for achieving peace and common prosperity in Asia. Therefore, contributing to speeding up the improvement of Korean-Japanese relations and developing relations of friendship and cooperation between the people of the two countries is the important task of the politicians of the two countries.

The three-party joint statement on Korean-Japanese relations which was released last September by the WPK, Japan's LDP, and the JSP is a milestone that would help improve Korean-Japanese relations in compliance with the expectations and earnest desire of the people of the two countries. [applause]

We firmly believe that the two organizations will frankly exchange views on important issues in improving Korean-Japanese relations during political talks and subcommittee meetings, thus promoting close ties between them and bringing good results that would contribute to promoting friendship between Japan and Korea. [applause]

We will positively cooperate with you and make every sincere effort to improve Korean-Japanese relations, which have been in an abnormal status for a long time, in the spirit of the three-party joint statement.

During your stay in our country, you will personally see how our people, after being single-mindedly united around the respected and beloved leader Comrade Kim Il-song and dear Comrade Kim Chong-il, are better building our popular masses-centered style of socialism and devotedly making efforts to independently, peacefully reunify the fatherland and will feel our people's friendly sentiment to the Japanese people wherever you go.

In concluding my speech, I hope that the politicians of the Diet and local councils, including respected Mr. Hajime Ishii, will more widely launch a movement to promote Japanese-Korean friendship, thus bringing great achievements in fulfilling the earnest desire of the people of the two countries. [applause]

Thank you. [applause] [end recording]

Ishii Hajime, the head of the Japanese delegation, reported next.

[Begin Hajime recording in Japanese with superimposed Korean translation] Mr. Choe Mun-son, responsible secretary of the WPK Pyongyang Committee, Mr. Kim Yang-kon, chairman of the Korea-Japan Friendship Association, WPK cadres, various other people who are present here as representatives of the DPRK, and dear Pyongyang citizens:

On behalf of my comrades from across Japan, I extend sincere and deep appreciation to you for having warmly welcomed the 350-man delegation of the Dietmen's League for the Promotion of Japan-Korea Friendship, a large-scale delegation. [applause]

We left Japan's Haneda Airport at 1000 this morning and arrived in the DPRK in as little as three hours. This has again made us realize that our two countries are close neighbors. Ours is a multiparty delegation composed of 26 dietmen from the LDP, the JSP, the Clean Government Party, the Democratic Socialist Party, and the Social Democratic Federation, and representatives of prefectural, municipal, and town and village councils from across Japan.

We think that it is more important than anything else to build new relations of friendship between Japan and

Korea based upon our reflection on the unfortunate past our country forced [upon the Korean people]. Voices are daily growing in our country that demand that relations between Japan and Korea be normalized. This is clearly shown in the fact that as of today, 32 special city, district, and prefectural assemblies, including the Tokyo Metropolitan Assembly, and 1,174 city and town and village assemblies, a total of 1,206 local assemblies, adopted resolutions to demand that Japanese-Korean friendship be promoted.

The delegation of the LDP and the JSP visited the Republic last September and, with the WPK, adopted a three-party joint statement. As a result, a big opportunity has been provided for relations between Japan and Korea, which had closed their doors to each other for a long time. After a series of preliminary talks, the full-dress talks between the governments of the two countries started last January, and relations between the two countries began to improve epochally. Afterward, your country decided to enter the United Nations, considering the rapidly changing situation of the world and realistically responding to it. A week before we left Japan, we heard, your country had discussed a nuclear inspection agreement with the International Atomic Energy Agency. Also, it was learned that the North-South premier-level talks would start in the near future.

Even though it was worried that intergovernmental talks between our country and yours, which have been held on three occasions, may be suspended temporarily, the two sides, handling this issue in a broad-based perspective, have agreed that the fourth talks would take place in Beijing. This is really good news.

At present, the world is undergoing changes from confrontation to dialogue and from dispute to cooperation. Today, when the world is undergoing many changes, it is expected, the Republic will actively carry out diplomatic policies to achieve independent, peaceful reunification.

Frankly speaking, various countries of the world do not know much about the Republic. This may cause unintended misunderstanding or prejudice, and some people in our country, too, criticize the Republic. I expect that the Republic will carry out diplomatic policies to eliminate this. In this sense, I think that we must [words indistinct] in Japan and that the Dietmen's League for the Promotion of Japan-Korea Friendship must play a responsible role in this.

As a result of working-level negotiations between Japan and Korea, satellite communications, which we had longed for, opened last April, and audio communications and information exchange have become more convenient between the people of our two countries.

The legal status of Korean residents in Japan is gradually improving. For the first time, our delegation arrived in your country carrying Japanese visas from which specific references to airports were excluded. Looking back upon the past events, I firmly believe that such a small step will lead step by step to great trust and friendship, and I am deeply moved.

To promote new bilateral relations, the Dietmen's League for the Promotion of Japan-Korea Friendship, which had been carrying out substantial activities for friendship even during the period when relations between the two countries were not good, restructured its organization last February, seizing the visit to Japan by the WPK delegation as an opportunity. Mr. Shin Kanemaru of the LDP and Mr. Makoto Tanabe of the JSP became supreme advisers, and I became chairman. [applause]

I tell you that the Dietmen's League for the Promotion of Japan-Korea Friendship, which has been renovated, has made a new start as the largest lawmakers' league in the Japanese Diet composed of 387 dietmen from the LDP, the JSP, the Clean Government Party, the Democratic Socialist Party, the Social Democratic Federation, the Japan Communist Party, and all the other political parties. [applause]

Our Dietmen's League for the Promotion of Japan-Korea Friendship will make further efforts to solve various problems between the two countries. Korea, a North-South Korean unified team, did well in the World Table Tennis Championships last May in (Nakaharimetsu), Chiba, Japan, and the female team won the championship. [applause] After overcoming various difficulties, the North and South formed a unified team for the first time and achieved North- South reunification in the sports field a step ahead of other fields. This greatly moved not only the people in Japan, where the championships were held, but also all the world's people. [applause] This was the start of a new era in which confrontation turns into cooperation.

I think that to turn relations between the countries which are adjacent but distant into relations between the countries which are adjacent and close, the exchange of more people, more goods, and more news is all the more valuable. We cannot have genuine understanding and trust without promoting mutual exchanges.

I ardently expect that many comrades from Japanese political circles will promote warm friendship and ties of solidarity with you in the Republic during this visit.

In concluding my speech, I wish the respected great leader [yongdoja] His Excellency President Kim Il-song a long life and good health. [applause] I also pray that all of you here will be healthy and that Japan and Korea will achieve endless prosperity. [applause] Thank you. [applause] [end recording]

League Feted in Pyongyang

SK2207063291 Pyongyang KCNA in English 0534 GMT 22 Jul 91

[Text] Pyongyang July 22 (KCNA)—The DPRK-Japan Friendship Association arranged a banquet at the

Mokran House on July 21 for the national delegation of the Dietmen's League for the Promotion of Japan-Korea Friendship on a visit to Korea.

Invited to the banquet were the members of the delegation headed by Hajime Ishii, chairman of the league.

Present there were supreme advisor to the DPRK-Japan Friendship Association Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea [WPK], and advisors Chong Chun-ki, chairman of the Korean Society for Cultural Relations With Foreign Countries, and Choe Mun-son, chief secretary of the Pyongyang Municipal Committee of the WPK and chairman of the Pyongyang Municipal People's Committee, and chairman of the association Kim Yang-kon, vice-director of a department of the WPK Central Committee, and vice-chairmen of the association and other officials concerned.

Chairman of the association Kim Yang-kon and head of the delegation Hajime Ishii made speeches at the banquet.

Friendship Officials Meet 22 Jul

SK2207111491 Pyongyang KCNA in English
1052 GMT 22 Jul 91

[Text] Pyongyang July 22 (KCNA)—Officials of the Korea-Japan Friendship Association met leading members of the national delegation of the Dietmen's league for the promotion of Japan-Korea Friendship headed by Hajime Ishii, chairman of the league, who paid a courtesy call, at the Mansudae Assembly Hall today.

Present there were top advisor to the Korea-Japan Friendship Association Kim Yong-sun, secretary of the C.C. [Central Committee], the Workers' Party of Korea [WPK], and advisors Chong Chun-ki, chairman of the Korean Society for Cultural Relations with foreign countries, Choe Mun-son, chief secretary of the Pyongyang Municipal Committee of the WPK and chairman of the Pyongyang Municipal People's Committee, and chairman of the association Kim Yang-kon, vice-director of a department of the C.C., WPK, and vice-chairmen.

A talk took place in a friendly atmosphere.

Tour of Mangyongdae, Pyongyang

SK2407061491 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 23 Jul 91

[Text] Members of the National Delegation of the Dietmen's League for the Promotion of Japan-Korea Friendship led by Ishii Hajime, chairman of the National Delegation of the Dietmen's League for the Promotion of Japan-Korea Friendship, who are currently staying in our country, made up several groups and toured Pyongyang City and several rural places on 22-23 July.

The leading staffs of the delegation toured Manyongdae, which is the native home where the great leader Comrade Kim Il-song was born and cherished the great aim of national liberation. The guests listened to the immortal story of this historic house and attentively saw the historical relics which have been preciously kept.

The guests had a picture taken to commemorate their visit to Manyongdae. The leading staffs of the delegation also visited Sohae Lock Gate and Pyongyang subway. After visiting Sohae Lock Gate, the chief delegate said that Sohae Lock Gate, in which the DPRK investigated $4 billion to build, has contributed to increasing agricultural production and to improving the living standard of the peasants.

In estimating the exploits of soldiers and builders who completed such a difficult, arduous, and enormous construction within a short period, he said that the Korean people have the noble spirit of positively working for the interests of the country and the popular masses rather than for their own interests. He added that he was deeply moved to recognize the Korean People's Army soldiers' spirit of sacrifice displayed in a peaceful construction.

Pointing out that the subway, dwellings, and streets in Pyongyang are very brilliant, Fumio Abe, deputy chief delegate of the delegation, added that all of these show that the DPRK is prospering.

Some members of the delegation toured Keasong City, Mt. Kumgang, and Mt. Myohangsan.

(Hirasawa Hisami), member of the delegation, toured Panmunjom, and said that only when the U.S. forces return to their land, can Korea's reunification be achieved and accordingly the world be peaceful. He said that Korea will without fail be reunified by means of a confederation system based on one nation, one state, and two systems, and two governments, which was put forward by President Kim Il-song

Kim Il-song Meets Delegation

OW2407133091 Tokyo KYODO in English
1304 GMT 24 Jul 91

[Text] Hamhung, North Korea, July 24 KYODO—North Korean President Kim Il-song told a delegation of Japanese legislators Wednesday that his country intends to "defend the banner of socialism."

"We are one nation in the world and will go along with the trends in the world. But we will defend the banner of socialism," Kim told the group, headed by Hajime Ishii, chairman of the parliamentarians' League for the Promotion of Friendship with North Korea.

The delegation includes 26 Diet members and 243 local assembly members from Japan's ruling Liberal Democratic Party and four opposition parties—the Social Democratic Party (SDP), Komeito, the Democratic Socialist Party, and the United Social Democratic Party.

North Korea analysts among the delegation welcomed Kim's pronouncement that Pyongyang will "go along with the trends of the world" as a substantial shift in policy.

Earlier this month, North Korea applied for membership in the United Nations. Pyongyang had long insisted that it should share a seat with South Korea, but faced with Seoul's determination to seek U.N. entry in September, said in late May that it would apply for a separate seat.

Both applications are expected to be approved.

On Wednesday, Ishii hailed North Korea's decision to seek U.N. membership and urged Pyongyang to conclude an agreement with the International Atomic Energy Agency (IAEA) providing for inspection of its nuclear facilities.

Kim said in response that "each nation has its own policies" and urged the Japanese Government to seek an independent policy supported by the Japanese people, implying that Tokyo should distance itself from Washington.

North Korea has recently agreed to the text of a so-called safeguards accord opening its nuclear facilities to international inspection, and is expected to sign it in September.

Kim said he expects the next round of North Korean-Japanese normalization talks, slated in Beijing next month, to progress "smoothly."

Kim acknowledged that a number of American scholars and former diplomats have visited North Korea recently, adding "some people in the U.S. would like to see relations improve (with North Korea), but others would like to check this."

The North Korean president, who led his nation against U.S.-led United Nations forces in the 1950-53 Korean war, said Pyongyang- Washington relations could improve "if they are based upon the principles of mutual respect and non-interference in domestic politics."

Cha Pong-chu Welcomes Indian Ministry Delegates

SK2107110191 Pyongyang KCNA in English 0841 GMT 21 Jul 91

[Text] Pyongyang July 21 (KCNA)—An Indian Government delegation headed by L.L. Mehrotra, secretary of the Foreign Ministry, arrived in Pyongyang on July 20.

It was met at the airport by Cha Pong-chu, vice-minister of foreign affairs, and Shehkholen Kipgen, Indian ambassador to Korea.

Kim Chung-nin Speaks About Kim Chong-il Work

SK2307144691 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 12 Jul 91

[Text] A central report meeting was held at the Central Youth Hall on the afternoon of 12 July to commemorate the 10th anniversary of the publication of the dear leader Comrade Kim Chong-il's historic document "On Further Strengthening Party Guidance Over the Work With Youth and Children."

A portrait of the great leader of our party and people Comrade Kim Il-song was respectfully placed in the front of the hall where the meeting was being held.

The slogans reading "Long Live the great leader Comrade Kim Il-song!" and "Long Live the Glorious Workers Party of Korea [WPK]!" were hung there.

The slogans reading "Let Us Firmly Prepare the New Generations as the Reliable Inheritors of Our Revolution!" and "Let Us Even More Properly Nurture Youths as the Inheritor of Our Revolution and as the Leading Warriors of the Socialist and Communist Construction!" were also hung there.

Comrade Kye Ung-tae, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrades Kim Chung-nin and So Kwan-hui, secretaries of the WPK Central Committee; Choe Mun-son, responsible secretary of the Pyonyang Party Committee and chairman of the Pyonyang People's Committee; Choe Yong-hae, chairman of the Central Committee of the League of the Socialist Working Youth of Korea [LSWYK]; functionaries of the party committee of Pyonyang, LSWYK functionaries, and other functionaries concerned attended the report meeting.

The report meeting began with the chorus of the Song of Marshal Kim Il-song.

Comrade Kim Chung-nin delivered a commemorative report at the report meeting.

[Begin Kim Chung-nin recording] Comrades: Today, under the magnificent circumstances under which all people across the country, by following the wise leadership of the party and leader with endless optimism about the future and with faith in victory, are accelerating the revolutionary cause of the chuche idea and vigorously struggling to highly display the invincible might and superiority of mass-centered socialism of our own style, we are marking the 10th anniversary of the publication of the dear leader of our party and people Comrade Kim Chong-il's historic document "On Further Strengthening Party Guidance Over the Work With Youth and Children."

At the time when a new turn was being effected in our people's struggle to achieve the revolutionary cause of the chuche idea under our party's program for the chucheization of the entire society, dear leader Comrade

Kim Chong-il put forth the historic document "On Further Strengthening Party Guidance Over the Work With Youth and Children." This was an event which was of great significance for our revolution and for the development of the communist youth movement. [applause]

Looking back at the militant path through which our youth movement has vigorously moved forward under the wise leadership of the party after it entered the period of a new victory, we take great pride and are filled with burning determination to even more thoroughly implement the ideas and policies elucidated in the dear Comrade leader's document by deeply realizing their correctness and vitality.

The youths are the successors of the revolution and are the masters of the future. The lineage of the revolution is inherited by the growing new generations and the future of the country and nation depends on how to prepare the youths and on how to enhance their roles.

The great leader Comrade Kim Il-song, who early on set out on the path of the revolution with the great ambition to rescue the nation, blazed the new path of the Korean revolution and victoriously organized and led the heroic anti-Japanese revolutionary struggle by regarding the youths as the most powerful forces of the social revolution and by rallying the advanced youths and students. It was in this course that the great leader opened the beginning of the Korean communist youth movement and established the shining tradition of the chuche-oriented youth movement.

The Korean communist youth movement which was pioneered and led by the great leader has entered the period of a new development under the wise leadership of the dear leader Comrade Kim Chong-il and is now even more dynamically advancing.

Dear leader Comrade Kim Chong-il, who early on set out on the road of guidance and, with extraordinary wisdom and outstanding insight, elucidated that the communist youth movement was intrinsically the one to inherit the leader's revolutionary cause generation after generation, took the lead in the youth movement of our country already in his glorious days of studentship and firmly prepared the youths and students as the reliable successors of the chuche revolutionary cause.

On 13 July 1981, at a time when the historic Seventh LSWYK Congress was going to be held, dear leader Comrade Kim Chong-il illuminated the new path to the youth movement through the publication of the historic document "On Further Strengthening Party Guidance Over the Work With Youth and Children."

In this historic document, dear comrade leader gave a penetrating analysis of the need to strengthen party guidance over the work with the youth and children, gave a scientific evaluation of the militant path of the Korean communist youth movement which traversed the triumphant path under the wise leadership of the great leader throughout the long period of more than half a century, and gave a complete elucidation of the task arising in further strengthening party guidance over the work with youth and children and of the way to accomplish that task.

Dear leader Comrade Kim Chong-il has noted: The party organizations of all levels should further strengthen party guidance over the work with youths and children and should firmly prepare all youths and children as the militant reserve units of the party and as the reliable inheritor of the chuche idea.

The dear Comrade leader's document is an immortal classical work and a great program of the communist youth movement of our era which gives complete answers to the theoretical and practical questions arising in strengthening and developing the work with youths and children according to the demand for the chucheization of the society, and which has synthesized and systematized the ideological and theoretical policies on the chuche-oriented youth movement. [applause]

In the document, dear comrade leader clearly elucidated the tasks which arise in strengthening the LSWYK organizations into chuche-oriented combat units, including the task to nurture the LSWYK (?functionaries) into those who are boundlessly loyal to the party and leader, capable of vigorously organizing and mobilizing youths in the revolutionary struggle and construction, and overflowing with ambition and zeal, the task to reliably organize the core LSWYK units and enhance their roles, and the task to intensify the organizational life of the LSWYK and develop the LSWYK organizations into strong combat units.

All these policies which dear comrade leader put forth are the precious guiding principles which provide a systematic foundation with which we can strengthen and develop the LSWYK ranks into the combat units of the party which will share the destiny with our party in any storms or trials.

Only when they ceaselessly receive the revolutionary education, can the youths and children grow as the inheritor of socialism and communism and as the true inheritor of the revolution.

If the youths and children are not educated in a revolutionary manner, they will be liberalized [chayuhwadoeyo] through the infiltration of bourgeois ideas and all kinds of obsolete ideas. Then, they will fiddle about [nallarirul purimyonso] and will sit idle.

Dear leader Comrade Kim Chong-il, with a keen insight into all these problems, earnestly taught us in his document that we should place a special emphasis on the ideological education of the youths and children.

The policy on the ideological education which the dear Comrade leader elucidated in his document is an immortal militant banner which firmly guarantees the most brilliant settlement of the problems of the youth and children through the complete chucheization of the ranks of the youths and children.

The dear Comrade leader has taught that, for the brilliant fulfillment of the socialist construction program of our party and for the acceleration of the complete victory of socialism, the youths, as active supporters for the economic policy of our party and as faithful fulfiller, should gladly undertake, if anything called for by the party, no matter how difficult it may be, should vigorously open a breakthrough in implementing the party policy at every difficult and hard guardpost of the socialist construction, and should take the lead in seeking the chucheization, modernization, and scientification of the people's economy.

The dear leader Comrade Kim Chong-il's document is of great historic significance in consolidating and developing the communist youth movement and in carrying out the revolutionary cause of the working class, because of the profoundness of its ideas and theories, because of its uniqueness, and because of its correctness. [applause]

The dear leader Comrade Kim Chong-il's historic document "On Further Strengthening Party Guidance Over the Work With Youth and Children" is indeed a great militant program and an encouraging banner which lead the party of the working class to vigorously pushing ahead with the socialist and communist cause generation after generation by most correctly solving the problems of the youths and children under the socialist system. It is another monumental work of our era which makes an immortal contribution to the movement of the youths and children and to the development of the revolutionary ideas and theories of the working class. [applause]

After the publication of the historic document, dear comrade leader, by publishing many other works such as "The Present Times and the Tasks Facing Young People" and by working out numerous policies, continued to clearly elucidate the tasks to further deepen party guidance over the work with youths and children according to the developing situation.

Dear Comrade leader considered the guidance over the work with youths and children as one of the most important parts of the party work and activities. So he stinted nothing but provided everything, if it is for the work with youths and children.

What is important in the leadership of dear comrade leader who consolidates and develops our youth movement toward a new high level is, above all, his wise leadership over the struggle for the chucheization of the ranks of youths.

The ideological education system and the organizational life system established today in the LSWYK are the most superior youth and children education and organizational life systems of our own style which enable us to nurture the growing new generations into true revolutionaries boundlessly loyal to the party and leader and possessing a firm chuche-oriented revolutionary outlook on the world.

The ideological and spiritual condition and moral aspect of the youths and children of our country, who grow up through the revolutionary education in the bosom of the party, are very good today. All youths and children have armed themselves with the great chuche idea of our party and consider the loyalty to the party and leader as something like their lives and as an uncompromising belief. They are highly displaying the spirit of ardent patriotism for the socialist fatherland, the spirit of collectivism, the noble outlook on life, the spirit of aesthetics, and the spirit of sacrifice for the country and people and for the society and organizations.

Only when they are disciplined in the practical struggle of the revolution and construction, can the youths grow up into true revolutionaries.

Dear comrade leader placed a great emphasis on intensifying the discipline through revolutionary practice to nurture the growing new generations into the young vanguards of the party. He wisely led the work to organize and mobilize the youth in the socialist construction.

Dear comrade leader, who firmly believes in the revolutionary spirit of the youths and in their creative positiveness, positively put the youths in the position of the main units of the socialist construction. By putting forth the militant slogan "Let us become young heroes in the rewarding struggle to glorify the era of the workers party!" according to the demand of the situation under which the great socialist construction is magnificently carried out, he vigorously aroused the youths to the heroic struggle to fulfill the party's far-reaching construction plan.

Indeed, our youths are gallantly and reliably growing up into the true vanguards of the party and into young heroes who loyally uphold our party in the practical struggle of the socialist construction.

Dear Comrade leader also wisely led us to further enhancing the militant functions and roles of the LSWYK organizations according to the demand of the developing reality. Dear comrade leader saw to it that the ranks of the LSWYK functionaries consist of core youths boundlessly loyal to the party and leader and the revolutionary working spirit of loyally upholding the party's leadership be established in the LSWYK. By so doing, he has further strengthened and developed the LSWYK organizations into the reliable combat reserve units of our party and the militant ranks of the young vanguards of the party.

The young vanguards of our party have firmly united around the party and leader with a single mind, they have been organized into the militant units of loyalty and filial duty and loyally uphold the leadership of our party, while doing everything by their own effort. Indeed, this is the new appearance of our LSWYK organizations as the combat reserve units of the party, and is the majestic aspect of the Korean communist youth movement which is vigorously moving forward on a new high stage.

Availing myself of this opportunity, reflecting the endless admiration and ardent loyalty of the youths and children of the country and of the functionaries who are in charge of the work with youths and children, I respectfully extend the greatest honor and warmest gratitude to the great leader Comrade Kim Il-song, who started the beginning of the Korean communist youth movement early on and led it along the single road of victory at every stage of the revolution, and to dear leader Comrade Kim Chong-il who ushered in the great golden days of the youth movement on this soil and opened the period of the new development of the work with youths and children with the great ray of guidance. [applause] [end Kim Chung-nin recording]

The speaker went on to mention the wise leadership dear comrade leader exercised in leading the youth movement of our country to a new high stage. Noting the fact that the youths and children are adding luster to their political life and are heroically growing up into the reliable inheritor of the revolution and the young vanguards of the party under the leadership of our party and also noting the fact that the youths are brilliantly playing the roles of forerunners and shock-brigade members in the socialist economic construction, the speaker went on to add:

[Begin Kim Chung-nin recording] Comrades: Today, we are facing a heavy but honorable task to achieve the cause of socialism by even more vigorously accelerating the revolution and construction under the revolutionary banner of the chuche idea.

The cause of socialism is the sacred cause to realize the people's aspiration of the century to enjoy the independent and creative life to their heart's content in a society where there is no exploitation and oppression. At the same time, it is the noblest historic cause to consummate our chuche-oriented revolution which was pioneered at Mt. Paektu.

Our party and people have built the socialism of our own style on this soil according to the belief built up in the long and arduous struggle.

The sacred mission to inherit the chuche-oriented revolutionary cause, the cause of socialism, which was pioneered and has been led by the great leader, generation after generation under the leadership of our party and to consummate that cause has been assigned precisely to our youthss and children who are the inheritors of the revolutionary cause.

Dear leader Comrade Kim Chong-il has noted: By struggling with great pride for socialism and with great confidence in socialism, youths should firmly defend the socialist rules from the maneuvers of the imperialists and from their challenges and should further display the decisive superiority of socialism.

The happy new socialist life which our people and youths live today and the great gains of socialism we have won on this soil are the result of the outstanding accomplishment of the given historic mission by the youths of the preceding generations.

Our cause of the chuche idea, the cause of socialism, will be carried out and consummated by the main forces of the revolution which are united around the party and leader with a single mind.

The youths are the most dynamic brains in the main forces of the revolution. According to the demand of the developing situation, we should ceaselessly deepen the ideological education and the organizational life among the youths and should systematically and ideologically strengthen the wholehearted unity of the ranks of the youths and children who are firmly rallied around the party and leader.

Intensifying the organizational life of the LSWYK and the Korean Children's Union is an important means to educate youths and children in a revolutionary manner and to discipline them ideologically.

The party organizations of all levels should offer guidance so that the members of the LSWYK and the Children's Union voluntarily and faithfully participate in the organizational life with a lofty outlook on their organizations and firmly possess the spirit of living their lives under the guidance and control of their organizations.

It is the party's invariable policy to discipline the growing new generations through the practical struggle of the revolution. The party organizations should offer guidance so that the youths, with the fighting spirit of the slogan "What the Party Decides, We Will Do," will firmly defend and implement the party policy always by putting themselves in front of the most difficult and hardest areas of the three revolutions of ideology, technology, and culture and the socialist construction, and will prepare themselves as young heroes and as young revolutionaries in the rewarding struggle to glorify the era of the Workers Party.

Our youth will soon celebrate Youths Day for the first time in the history of our country. Youths Day is a revolutionary holiday on which the Korean youths, who are firmly united around the party and leader, will display the might of their wholehearted unity and the new generations, which are overflowing with joy and optimism in the bosom of our party, will sing the song of endless happiness.

The party organizations at all levels should actively lead the LSWYK organizations and the youthss so that they will greet their first Youths' Day with lofty political zeal and with shining labor successes. By so doing, they should make the Youths' Day provide an opportunity for the youths to even more properly prepare themselves as the reliable young vanguards of our party, and to be brilliantly celebrated as another political festival of the youths.

As long as we have the wise leadership of the party and leader and as long as the reliable and proud new generations of the chuche era, who are loyally following the party, firmly inherit the lineage of the revolution, our chuche revolutionary cause—the cause of socialism—will be always victorious and the future of our fatherland will be endlessly bright.

Let us all, under the revolutionary banner of the chuche idea, firmly unite around the party and leader and move forward even more vigorously for the final consummation of the revolution and for the victory of socialism and communism. [applause] [end Kim Chung- nin recording]

Meeting Marks 'Hero Squad Movement' 17 Jul

SK2307060491 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 17 Jul 91

[Text] A meeting of young soldier-forerunners in the Hero Squad Movement of the Korean People's Army [KPA] was held on 17 July in front of the Samjiyon grand monument from where Mt. Paektu, the sacred mountain of the revolution, can be seen.

The meeting summed up achievements in the Hero Squad Movement, which was initiated and is carried out under our party's leadership, and discussed tasks to bring up the soldiers of a new generation to be young heroes in the nineties by intensifying the movement in close combination with the movement to win the Red Banner of the Three Revolutions.

Present at the meeting were more than 3,500 young soldiers of the KPA and the Korean People's Security Forces [KPSF] who had performed feats in the van of the Hero Squad Movement by upholding the slogan, "Let us all live and struggle in a heroic manner!"

A bronze statue of the great leader Comrade Kim Il-song, a legendary hero and ever-victorious iron-willed commander, was set up at the site of the meeting. In the sky above the place, large balloons carrying slogans which read "Long live the great leader Comrade Kim Il-song!" and which highly praised the dear leader Comrade Kim Chong-il were in the air.

Also hung in the balloons were the slogans reading "What the party decides, we will do" and "Let us all become Kim Chin and Yi Su-pok of the nineties!" The participants vigorously marched in front of the grand monument, where the banners of the party and marching units and red flags were flying, by singing the revolutionary songs with a sonorous voice. Faces of each of them reflected the firm will to loyally uphold the dear comrade leader, just as the anti-Japanese revolutionary fighters—the first generation of heroes who broke through a long bloody path by following the great general—and to brilliantly inherit and accomplish the chuche cause pioneered in the Paektu forest.

Present at the meeting were Comrade O Chin-u, member of the Political Bureau Presidium of the Central Committee of the Worker's Party of Korea [WPK], vice chairman of the Defense Commission of the DPRK and minister of the People's Armed Forces; Colonel Generals Yi Pong-won and Yi Chong-san; generals and officers of the KPA and KPSF and young soldier-forerunners.

The meeting began with the singing of the "Song of Marshal Kim Il-song."

A congratulatory message of the WPK Central Committee to the participants in the meeting of young soldier-forerunners in the Hero Squad Movement was read by Comrade O Chin-u.

The message pointed out that the meeting of young soldier-forerunners in the Hero Squad Movement of the KPA is a significant meeting for displaying the revolutionary spirit of functionaries of the League of Socialist Working Youth of Korea [LSWYK] within the People's Army and young soldiers, who heroically live and struggle in firm unity around the party and the leader, and for vigorously inspiring young soldiers to struggle for final victory of our revolution and for expediting the national reunification.

The message stressed that the WPK Central Committee extends warm congratulations to the participants in the meeting of young soldier- forerunners in the Hero Squad Movement of the KPA, who are vigorously marching in the van of rewarding struggle to become heroes and creators of heroic feats by inheriting the proud tradition of our people's heroic spirit, and to all soldiers who are vigorously carrying out the Hero Squad Movement.

The message pointed out that our party, through the fight against the imperialists' aggression and the struggle to create a new life, wisely led the youth, who glorified the annals of our revolution with proud victory and feats, to be the young revolutionaries and heros of the time. The message stressed that the Hero Squad Movement is a powerful mass innovations movement to bring up young soldiers of the new generation within the People's Army as heroes who struggle by devoting everything to the cause of defending the fatherland. Our people's heroism, which originated in the anti-Japanese revolutionary struggle and which has been inherited and developed generation after generation, took root and has been further expanded and developed among the masses.

The message said that following the brilliant examples of the anti-Japanese revolutionary fighters and the hero soldiers of the Great Fatherland Liberation war against the U.S. imperialist aggressors, the young soldier-forerunners in the Hero Squad Movement have firmly prepared their squads politically and ideologically, militarily and technically, and physically and thus greatly contributed to guiding our People's Army to be loyal to and discharge their filial duties for the party and the leader as the army of the party and the army of the leader.

The message pointed out that young soldier-forerunners in the Hero Squad Movement inspired young soldiers to accomplish heroic feats in the struggle of socialist construction to achieve the party's profound plans with passion and courage so that they demonstrate the militant spirit of the hero squads in great construction sites glorifying the era of the Worker's Party and that they show a fine lofty example as defenders of the nation and as creators of the people's happiness.

The message noted that the WPK Central Committee highly praised great successes attained by the participants in the Hero Squad Movement within the People's Army in creating numerous hero squads by displaying the loyalty to the party and the leader and a sense of dedication to the fatherland and the people and in preparing soldiers to be the heroes of new generations who will firmly inherit the lineage of our revolution.

The message stressed that all the soldiers who are powerfully waging the Hero Squad Movement with the 60th founding anniversary of the heroic KPA falling next year should effect a new turn in increasing the combat capacity of the units and perfecting the combat preparedness and should add luster to the glory of the revolutionary armed forces boundlessly faithful to our party, who, without the slightest vacillation in whatever grim test, will share weal and woe forever with the party, trusting only it, and defend the party and the leader politically and ideologically with their own lives.

The message pointed out that the role and responsibility of squad leaders in waging the Hero Squad Movement should be enhanced, and party organizations, political organizations and commanders within the People's Army should intensify this movement in close cooperation with the movement to win the Red Banner of the Three Revolutions so that the People's Army is further strengthened and developed into matchless heroic ranks and revolutionary armed forces endlessly loyal to the party.

The message said that the WPK Central Committee firmly believes that the participants in the Hero Squad Movement within the People's Army will, as in the past, attain greater successes in the Hero Squad Movement by upholding the party's leadership and thus will excellently repay the party's trust and expectations.

Honored to receive the congratulatory message of the party Central Committee, young soldier-forerunners vigorously shouted, "Kim Chong-il, the lodestar!" "Unity and cohesion!" and "[word indistinct] and shield!" while shouting out "hurrah!"

At the meeting, Yi Chong-mu, chairman of the KPA Committee of the League of Socialist Working Youth of Korea [LSWYK] made a report.

The reporter said: Today, at a time when all the people throughout the country and all soldiers are vigorously accelerating the march of the nineties under the banner of socialism, with overflowing faith in certain victory and revolutionary optimism, today we are holding the meeting of forerunners of young soldiers in the Hero Squad Movement of the KPA in the historical battlefield of the revolution in Mt Paektu where our revolution took its strong root and the firm guarantee for inheriting the revolutionary cause of chuche was provided.

He said: In October 1988, receiving from young soldiers at Height 1211, the height of heroes, the report that they were vigorously waging the struggle to emulate the unit's model heroes Yi Su-pok, No Tae-chin, and (An Yong-ae), the dear leader Comrade Kim Chong-il, who is deeply interested in fostering the soldiers of the new generation into successors to the revolutionary cause of chuche and into reliable young vanguards of our party, highly appraised their struggle and lit the torch for the mass movement so as to vigorously wage the Hero Squad Movement.

The dear leader Comrade Kim Chong-il has stressed: For man, heroically living and struggling is the way of eternally glorifying his noblest social and political life.

The reporter said that the Hero Squad Movement personally initiated by the dear leader Comrade Kim Chong-il is a mass innovation movement which most correctly reflects our young soldiers' unanimous aspirations and demands to uphold the party's cause with loyalty by becoming heroes and creators of brilliant exploits.

He continued: The dear leader Comrade Kim Chong-il, who discerned the great vitality of the Hero Squad Movement, acquainted himself with the process of the Hero Squad Movement on many occasions and brilliantly elucidated ways to vigorously wage the movement.

Stressing that only when the work with young soldiers is done well can many heroes such as Yi Su-pok be produced in the People's Army, the dear leader presented to organizations of the Socialist Working Youth League [SWYL] the slogan, "Let us all become Kim Chins and Yi Su-poks in the nineties" and guided the work of thoroughly implementing this slogan through the Hero Squad Movement.

The dear comrade leader not only appreciated and highly evaluated even the smallest success attained through the Hero Squad Movement and extended thanks to young soldiers for that, but also put those young soldiers who died a heroic death after performing heroic exploits at the most glorious position so that they can be remembered by the people forever.

The reporter stressed that the dear leader Comrade Kim Chong-il's leadership achievements in the work of fostering young soldiers into heroes of the times and reliable young vanguards of the party have been brilliantly recorded in the glorious chronicle of our revolutionary armed forces. The reporter mentioned the fact that, grasping the work of fostering young soldiers into loyalists and dutiful children who struggle for the party and the leader, devoting their lives, as the main line of the Hero Squad Movement, SWYL organizations and functionaries in the People's Army have waged the indoctrination work to emulate the lofty ideological and mental features of heroes of previous generations through various forms and methods.

He also noted that through the Hero Squad Movement young soldiers have valiantly grown up to be revolutionary fighters of one-a-match-for-100 who have iron-like discipline, infalliable marksmanship, and iron-like physical strength and that, thus, the revolutionary armed forces of our party have been firmly strengthened. He said that numerous squads in the People's Army have grown up to be hero squads and that, as a reult of this, the revolutionization of the entire army has been accelerated and the might of our revolutionary armed forces has been incomparably strengthened.

Stressing that all successes attained in fostering heroic fighters are totally thanks to the wise leadership of the party and the leader, the reporter—unanimous in loyalty with the participants of the meeting—extended the utmost glory and warmest thanks to Comrade Kim Il-song, the great leader of our party and people, and the dear leader Comrade Kim Chong-il who have led the People's Army to the single road of victory and glory.

The reporter stressed that our young soldiers are faced with the glorious but heavy task of preparing soldiers of the new generation to become heroic fighters who resolutely safeguard and defend the party and the leader politically, ideologically, and with their lives and who struggle for the fatherland and the people, devoting their lives, by more vigorously waging the Hero Squad Movement to upholding the task elucidated in the message of congratulations of the party Central Committee.

He also pointed out that we must further strengthen the indoctrination of young soldiers on loyalty to the party and the leader and the chuche idea to ensure that they have the revolutionary belief that the respected and beloved leader and our party are great and to ensure that they deeply perceive the superiority and invincibility of our popular masses-centered style of socialism. He also said that, in compliance with the noble revolutionary duty of the People's Army, we must strengthen the combat training of young soldiers, turn guardposts and camps into invincible fortresses, make thorough preparations for the mobilization of weapons and combat (?equipment), and improve People's Army combat capabilities to make it the invincible rank of heroes who can defeat any imperialist aggressor at a strike.

He also pointed out that, to more extensively carry out the Hero Squad Movement, League of Socialist Working Youth organizations and officials must carry out organizational and political work and substantially carry out the work of summing up and evaluating this movement.

He also said that victory and honor will always lie ahead of our soldiers who are marching under the leadership of the WPK, which is ever-victorious, and that all the young soldiers must implement their resolve of loyalty, which they made at the Mt. Paektu revolutionary battle site, in their training and lives, thus bringing about greater achievements in the Hero Squad Movement and vigorously displaying the might of single-minded unity among the leader, the party, and the masses and the heroic spirits of our revolutionary armed forces.

KPA officer Kim Yong-o; noncommissioned officers Yun Hae-ok and Pak Yong-nam; Chong Chol-nam, a student at Mangyongdae Revolutionary School; officers Pak Hyong-chul and Yi Song-kil; and unit member [as heard] Kim Hyon-chol participated in a debate session.

Citing actual examples, they said: All the commanders, unanimously participating in the Hero Squad Movement, which dear Comrade Kim Chong-il initiated, have mobilized young soldiers in implementing our party's military lines by passionately carrying out political work and setting examples. As a result, these young soldiers can accomplish heroic feats, and various squads can join the ranks of heroic squads.

They also said that young soldiers must take to their hearts the revolutionary belief that what the party decides, we will do, strongly arm themselves with our party's military ideas on self-defense and the chuche-oriented war strategies, take the lead in the movement to convert the entire army into a cadre and to modernize the entire army, always assume the position of vigilance and mobilization, and accomplish heroic feats.

They also said that, in particular, young soldiers must thoroughly prepare themselves as honor guards and do-or-die unit members who will loyally uphold the party and the leader and politically and ideologically defend them by risking their lives just like the young communists who upheld and resolutely defended great Comrade Hanbyol and the hero Yi Su-pok who, taking to his heart the honor of being a warrior of the respected and beloved general Kim Il-song, contributed to a combat victory by throwing his body in front of the enemy's gun muzzle.

The meeting adopted a letter of resolve to the WPK Central Committee.

Daily Stresses Three Lines of Revolution

SK2407111791 Pyongyang KCNA in English
1026 GMT 24 Jul 91

["To Powerfully Promote Three Revolutions is Basic Way of Triumphant Advance of Socialism"—KCNA headline]

[Text] Pyongyang July 24 (KCNA)—NODONG SINMUN today comes out with a signed article titled "To Powerfully Promote Three Revolutions is Basic Way of Triumphant Advance of Socialism".

The article says:

The dear leader Comrade Kim Chong-il has constantly developed and enriched the theory of the three revolutions on the basis of the profound principles of the chuche idea and the demand of revolutionary practice and clearly indicated the road of the cause of socialism. He said: "The line of the three revolutions, ideological, technical and cultural, is a most correct line giving a firm guarantee to the development and completion of socialism."

To correctly work out and thoroughly implement the strategic line of socialist construction is an important question in consolidating and developing the socialist system and giving full play to its advantages through continued revolution and a vital question in triumphantly advancing the cause of socialism while frustrating the imperialists' anti-socialist moves and maintaining the revolutionary stand of the working class and the principle of socialism.

To thoroughly implement the three revolutions, ideological, technical and cultural, is a fundamental way of firmly preparing all the members of society to be the true driving force of the socialist and communist society by transforming them in a revolutionary manner and assimilating them to the working class and to the intelligentsia, increasing the economic potential of the country, building and developing socialist culture, the article notes, and continues:

Thorough implementation of the three revolutions is an important guarantee for firm adherence to the principle of socialism and full display of its advantages.

The imperialists and their stooges are trying to undermine socialist countries from within and drive them back to the road of capitalism and subjugate them politically and economically, while persistently resorting to anti-socialist moves. Under such condition, it is imperative to wage a strenuous struggle to maintain the working class stand and hold fast to the principle of socialism in order to firmly defend the cause of socialism and make it progress successfully.

Our party's line of three revolutions is a revolutionary banner which makes it possible for the people to shatter the imperialists' domination and subjugation and confidently advance along the road of socialism.

When the three revolutions are thoroughly implemented, it will be possible to smash the imperialists' anti-socialist moves and successfully solve in a socialist way and on the basis of the principle of socialism the questions of educating people in a revolutionary manner, developing sound culture and lifting economy and technology to a high stage.

Status of Staple Textile Production Reported

SK2007102691 Pyongyang KCNA in English 1018 GMT 20 Jul 91

[Text] Pyongyang July 20 (KCNA)—Staple fibre output in Korea increased 40 percent in the last one month compared with the same period last year.

The Chongjin and Sinuiju chemical fibre complexes are keeping the production of staple fibre and rayon yarn on a high level by readjusting and reinforcing production technical processes and introducing advanced work methods, while lowering the norm of material consumption per unit of output.

The Sinuiju chemical fibre complex in the last one month produced 2.5 times as much staple fibre as was turned out in the like period last year.

Korea, with a limited arable land, meets an overwhelming majority of the needs for fibres with chemical fibre.

The nation's staple fibre production is next to vinalon in the output of chemical fibres.

KCNA Review of 24 Jul Pyongyang Press

SK2407055691 Pyongyang KCNA in English 0501 GMT 24 Jul 91

[Press review]

[Text] Pyongyang July 24 (KCNA)—NODONG SINMUN today reports that immortal classical works of the great leader President Kim Il-song were studied and disseminated in different countries.

Given in the press is a message of greetings Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received from Rashed Khan Menon, general secretary of the Central Committee of the Workers' Party of Bangladesh, on the occasion of the anniversary of the victory of the Korean people in the Fatherland Liberation War.

President Kim Il-song received a letter of thanks from Sani Abacha, minister of defence and chief of staff of defence of Nigeria, who had visited our country, says NODONG SINMUN.

MINJU CHOSON reports that revolutionary slogans written on trees during the anti-Japanese armed struggle organised and led by Comrade Kim Il-song were recently discovered in the area of Mandal-ri, Sungho District of Pyongyang.

An article of NODONG SINMUN tells about the ever-deepening feelings of reverence of South Korean people who are looking up to President Kim Il-song as the sun of the nation and the lodestar of national reunification.

The world public supported the proposal for national reunification through confederacy put forward by President Kim Il-song, says the daily.

"Our Socialism for the People Will not Perish", a work of the dear leader Comrade Kim Chong-il, was widely studied and disseminated in different countries, according to the press.

NODONG SINMUN in an article says that Comrade Kim Chong-il has always directed deep attention to the education of the postrity and bestowd the greatest solicitude upn school children.

NODONG SINMUN comes on with an article titled "To Step Up Three Revolutions Is Basic Way for Triumphant Advance of Socialism" and MINJU CHOSON "Our Socialist Society Is Most Advantageous One That Fully Ensures Right To Work to Working People".

NODONG SINMUN introduces the Komdok mining complex which is increasing the production of nonferrous metallic minerals.

Econews of the press encludes reports that innovations are being effected in cement and phosphate fertilizer production and the construction of the east Pyongyng thermal power plant is progressing apace.

The sixth national festival of science and technology opened in Pyongyan and the seventh Asian ministeral meeting of the Group of 7 will be held in Pyongyang from September 7 to 12, accrding to the press.

Carried in the press are telephone messages to the South Korean "minister of Unification Board" and the "minister of justice" sent by the chairman of the Measure Committee for the Rescue of the Rev. Mun Ik-hwan and the chairman of the Korean Committee of Struggle for the Release of Yim Su-kyong in regard to the matter of dispatching a consolatory team of school youth and children to South Korea.

In a commentary, NODONG SINMUN accuses the South Korean authorities of inhumane act of refusing our offer to dispatch consolatory teams.

Another commentary of the paper hits out at the South Korean authorities for proposing the August 15 "grand unification march" in a bid to obstruct the second pan-national rally and the grand reunification festival of youth and students.

The paper runs an article titled "No One Should Fool Fellow Countrymen With Reunification Question."

Echoed in the press are world public voices demanding the withdrawal of the U.S. troops and nuclear weapons from South Korea on the occasion of the June 25-July 27 month of anti-U.S. joint struggle.

NODONG SINMUN reports that the DPRK's step for U.N. membership was supported in foreign countries.

Papers come out with commentaries hailing the success of the working-level meeting of the Supreme National Council of Cambodia held in Beijing.

A NODONG SINMUN commentary says that the dominationist way of thinking of the United States which styles itself "leader of the world" is an anachronistic daydream.

It is reported in the press that a meeting and friendship gathering were held here to mark the 39th anniversary of the July 23 revolution of the Egyptian people and the first Iberian-American summit was held.

NODONG SINMUN says that criminal acts have become a serious social problem in the United States.

South Korea

Iraq Looks to Seoul for 'Fruitful Economic Ties'

SK2407022591 Seoul BUSINESS TIMES in English 17 Jul 91 p 8

[Text] Korea and Iraq sustained good political and economic relations even before consular ties were established between them in April 1981. Those relations witnessed significant progress over the years and in July 1989 formal diplomatic relations were established.

The Korean construction industry was the main benefactor of the growing economic relationship between the two countries. In 1990, there were nine Korean companies operating in Iraq working on a total of 14 projects worth US$2.5 billion.

As far as trade was concerned, Korea exported consumer goods like electronics and textiles to the Mid-East country and in 1988, exports reached US$ 402 million. At the same time, Iraq exported products, mostly oil, valued at US$ 142 million to Korea.

Iraq has enormous mineral resources, including, of course, the second largest reserve of oil in the world. Korea has an excellent opportunity to assist in the exploitation of these resources, since Korean companies have a proven track record in past projects in cooperation with Iraq and because of Korean oil companies recent experience with oil exploration in Yemen.

Now, in the wake of the devastation in the region, Iraq like Kuwait is looking forward to reconstruction in all sectors of its economy and infrastructure. The Iraqi ambassador to Korea, Burhan Ghazal, has said that Korean companies are very much welcome to take the initiative to knock on the Iraqi door to participate in the expected large-scale reconstruction effort, exactly as they did during and after the Iran-Iraq war.

The Iraqi's are now hoping for a quick end to the U.N. sanctions that are restricting their ability to freely participate in trade and delaying the beginning of full scale reconstruction of the country.

Iraq is looking to Korea to cooperate with them in all areas and to renew their fruitful economic ties as soon as possible.

YONHAP Interviews Soviet Official on North

SK2407035091 Seoul YONHAP in English 0250 GMT 24 Jul 91

[Text] Moscow, July 23 (YONHAP)—North Korea has recognized the status quo on the Korean Peninsula by deciding to join the United Nations and will pay more attention to relations with South Korea in the days ahead, a high-ranking Soviet Communist Party official said Tuesday.

Vladimir Tkachenko, deputy chief of the party Central Committee's International Department and an expert on North Korean affairs, said in an interview with YONHAP News Agency that North Korea seemed to have made the decision to enter the world body alongside South Korea in order not to be left alone.

"In my view the DPRK (Democratic People's Republic of Korea or North Korea) decided to join the United Nations out of concern that it would be left alone if the ROK (Republic of Korea or South Korea) becomes a U.N. member in September. Now, the DPRK will make efforts to improve relations with ROK within the framework of the United Nations...

"The decision to join the United Nations together with ROK means, for the DPRK, to recognize the existence of two nations on the Korean Peninsula. Recognition of the status quo signifies that the nation will move in that direction. So far, Pyongyang has given the first priority to reunification, now it has begun to realize that inter-Korean relations should be counted first."

Tkachenko, who boasted he visited Pyongyang "innumerably," said his government had abstained from exerting influence on North Korea for fear that such an act could trigger protest for interference in internal affairs.

"The Soviet Union will take a neutral attitude toward the two halves of the divided peninsula, although it has normalized relations with ROK and supports U.N. entry by both Koreas."

Based on his extensive knowledge about North Korea and on-the- spot observations and meetings with its leaders, Tkachenko said Pyongyang's presence in the United Nations would not bring forth a major change in its policy.

"DPRK decided to join the United Nations and said it would abide by the U.N. Charter, but that does not mean changes will occur in its policy. However, it will pay more attention to inter-Korean relations since it has internationally recognized the existence of two systems on the Korean Peninsula."

He said North Korean President Kim Il-song had already begun to transfer his power to his eldest son Chong-il and the process was still going on, but reserved comments when asked if the junior Kim could keep on the power after his father died.

The United Nations is not likely to deal with the Korean question even after the two Koreas become its members, Tkachenko predicted.

"The United Nations has already failed to solve the question. Now the question is entirely left to the two Koreas. What the United Nations can do will be to pray for the two Koreas achieve reunification in a non-violent, peaceful way. It is wholly up to the Koreans themselves when and how to realize reunification."

He said North Korea's decision to sign the nuclear safeguards accord of the International Atomic Energy Agency [IAEA] exhibited its will to accept international inspection of nuclear facilities.

Asked if Soviets influenced North Korea to make the decision, Tkachenko indirectly denied by saying, "the decision was made between DPRK and IAEA."

As for Soviet supply of arms to North Korea, he said, "the Soviet policy is to sell arms to whichever country that wants to buy them. Whether the United States and the Soviet Union will supply arms to the Korean Peninsula is entirely up to the two Koreas. The Soviet Union is supplying arms under a pertinent agreement."

Korea was divided into the capitalist South and communist North at the end of World War II in 1945 and the two sides fought a three-year war from 1950 with the South armed with U.S.-supplied weapons and the North with Soviet-made ones.

South Korea and the United States have a mutual defense treaty signed in 1953. North Korea and the Soviet Union signed a treaty of friendship and mutual assistance in 1961.

Moscow established diplomatic relations with Seoul on Sept. 30, 1990, and proposed to sign an amity pact with its former adversary.

Tkachenko hinted that it would take some time before Seoul and Moscow sign the "treaty on good neighborliness and cooperation," advanced by Soviet President Mikhail Gorbachev in his third summit with South Korean President No Tae-u on April 20.

"Soviet and Korean Foreign Ministry officials are working on drafts, but they have not yet made contacts on this subject. The treaty will be signed only after it is confirmed not to affect the ROK-U.S. alliance and the Soviet-DPRK treaty," he said.

Soviet Ambassador to South Korea Oleg Sokolov and other Soviet officials have repeatedly emphasized that the projected Seoul-Moscow treaty is not designed to bind Seoul with new military and security obligations or hamper its relations with traditional allies.

As for future Seoul-Moscow ties, Tkachenko said economic exchange would remain the prime factor in expanding bilateral relations.

"In less than a year, the two-way trade amounted to 1 billion U.S. dollars and this is close to the volume of trade between Moscow and Pyongyang. Prospects are very bright for economic cooperation between Moscow and Seoul."

Bulgarian Diplomat Predicts ROK-PRC Ties

SK2307072491 Seoul YONHAP in English 0649 GMT 23 Jul 91

[Text] Seoul, July 23 (YONHAP)—South Korea and China are likely to establish diplomatic relations this fall after South and North Korea become members of the United Nations, a senior Bulgarian diplomat stationed here predicted Tuesday.

Georgi Mitov [name as received], 59, charge d'affaires of the Bulgarian Embassy in Seoul, said in an interview with YONHAP News Agency it would not be difficult for South Korea and China to develop their relations to the ambassadorial level, as they had already exchanged trade offices with consular functions.

"The republic of Korea and China are likely to set up diplomatic relations in late September or early October after the two Koreas join the United Nations. The two countries have already opened trade offices with consular functions, and it will not be difficult for them to develop such ties to the ambassadorial level.

"The Democratic People's Republic of Korea (North Korea) will eventually establish diplomatic relations with Japan and the United States. The United States will, however, show interest in formalizing ties with North Korea after the inter-Korean human and materials exchanges become substantial."

Mitov was assigned to Seoul in September last year, six months after Seoul and Sofia signed diplomatic relations. South Korean Ambassador Kim Chwa-su was accredited to Sofia in June last year.

Well-versed in North Korean affairs, Mitov said Pyongyang's recent decision to join the United Nations alongside Seoul reflected its will not to suffer isolation from the international community again.

"In 1988 North Korea did not participate in the 24th summer Olympics in Seoul. At that time only Cuba sided with it while most other communist countries sent teams to Seoul. If North Korea did not make up its mind to join the United Nations, South Korea would have joined the world body alone. North Korea must have learned a lesson about isolation from the international community from the Seoul Olympics," Mitov said.

He studied history at Pyongyang's Kim Il-song University from 1958-63. From 1966-69, he worked at the Bulgarian Embassy in Pyongyang as a third secretary. He again served at the embassy from 1973-75 as a second secretary. He has a good command of Korean and used it during this interview.

"Personally, I presume it was Foreign Minister Kim Yong-nam that recommended U.N. entry to President Kim Il-song. I had many chances to talk with Kim (Yong-nam) during my service in Pyongyang, and found him to be a rarity in North Korea. He is a man of progressive thinking and clear judgment. Of course he is loyal to President Kim, but still he can make such a recommendation to the president," Mitov said.

Asked to comment on the much-touted joint celebration of the national liberation day Aug. 15 by South and North Korea, the seasoned diplomat said such a thing would be possible only when the two sides quit mutual slander.

"To realize that kind of program, the two sides should stop slandering each other. Exchanges and events would be possible only then. From what I've seen, I can tell that the two sides criticize each other too much. Under such circumstances, both sides can't be enthusiastic about dialogue or exchange."

Turning to relations between Seoul and Sofia, Mitov said the two countries could have mutual benefits through trade, as their industrial structures were complementary. The two-way trade stands at a meager 30 million U.S. dollars at present.

He also expressed hope that South Korea, which is growing active in overseas aid and investment, would turn its eye to Bulgaria.

South Considering North's Nonaggression Proposal

SK2307122591 Seoul YONHAP in English 1211 GMT 23 Jul 91

[Text] Seoul, July 23 (OANA-YONHAP)—South Korea is considering accepting North Korea's proposal for the declaration of non-aggression during inter-Korean prime ministers' talks next month on condition that the agreement sets down concrete terms guaranteeing its implementation, a well-placed government official said Tuesday.

"South and North Korea will be bound by a non-aggression agreement once they join the United Nations," said the official, referring to the declaration attached to the membership application where would-be members pledge to abide by the U.N. Charter.

Both Seoul and Pyongyang are expected to be admitted into the global body during General Assembly in September.

"North Korea, however, is apparently going to insist on signing a non-aggression declaration, and we are not likely to be able to go around it," the official said.

North Korea, through three rounds of prime ministers' talks from last September, said the two Koreas should first sign an agreement promising not to invade the other side.

South Korea countered the demand, calling for a wider, more fundamental agreement on improving inter-Korean relations which could include a non-aggression pact.

The fourth round of talks is set to open in Pyongyang Aug. 27.

Korea was divided into communist North and capitalist South at the end of World War II in 1945 and fought a three-year fratricidal war in 1950-1953.

The Seoul Government still adheres to its demand for a fundamental agreement on relations improvement, but if North Korea is willing to accept South Korean proposal for three cross-border exchanges in trade, communication and travel, the South may agree to non-aggression, the official said.

The declaration, however, will be signed with a condition that it comes with full guarantee of its enforcement, such as inspection and verification measures, he said.

Minister Briefs Assembly on Relations With North

SK2407030491 Seoul THE KOREA HERALD in English 24 Jul 91 p 2

[Text] Seoul believes that despite recent changes in its diplomacy, North Korea is still refusing to seek peaceful coexistence with South Korea.

While expressing suspicion about Pyongyang's "double-pronged" attitude, Deputy Premier-Unification Minister Choe Ho-chung also says Seoul will actively push economic exchanges with the North as a way to realize a breakthrough in inter-Korean relations.

Choe told a National Assembly committee Monday that North Korea is following a two-faced approach as it tries to come out of international isolation.

The North has applied for U.N. membership separately from the South, after years of refusal to do so. It also committed itself to signing a nuclear safeguards treaty with the International Atomic Energy Agency (IAEA).

Reacting to Seoul's establishment of diplomatic ties with Moscow and its improving relations with Beijing, Pyongyang is seeking to normalize relations with Japan and the United States, both allies of the South that recognize only Seoul.

"Despite all these changes, North Korea is calling for the withdrawal of nuclear arms it claims the U.S. forces in the South possess and for simultaneous nuclear inspection of both South and North," Choe said at the parliamentary committee on unification.

"This shows that the North still maintains its basic policy of communizing the South," he stated.

The Seoul government maintains that Pyongyang's call for the withdrawal of U.S. forces in the South is part of its effort to unify the divided peninsula by use of force.

About 43,000 U.S. troops are in South Korea under a bilateral security agreement between Seoul and Washington.

The unification minister said Saturday that Seoul will offer direct investment in North Korea as part of efforts to improve inter-Korean relations.

"Economic cooperation will be given top priority in the prime ministers' conference opening in Pyongyang next month," Choe told a business seminar held on Cheju Island.

The coming talks, the fourth in a series beginning last September, are the highest-level contacts since the Korean Peninsula was divided in 1945. The past three sessions have produced little significant progress.

Seoul hopes that the Aug. 27 prime ministerial talks will focus on economic exchanges rather than on political and military issues, Choe said.

"It is through economic exchanges that we are most likely to see a breakthrough in inter-Korean relations because both sides have much to gain and little to lose," he remarked.

He said the South would propose that Pyongyang allow investment by southern private firms.

Complex political issues could be avoided by having South Korean businesses invest in the North through their branches in Hong Kong, Japan and other third countries, Choe said. He cited textile, garments and electronics as possible areas of investment.

South and North Korea have so far conducted transactions mainly through China and Hong Kong.

Trade between the two sides totaled $25.1 million last year, according to government officials.

Seoul has said no duties will be levied on imports from the North because they will be considered as internal trade.

A trading company in Seoul is preparing to ship 5,000 tons of rice to North Korea in the first direct barter trade between the two Koreas.

Barter Deal With North Officially Approved

SK2307131591 Seoul YONHAP in English 1241 GMT 23 Jul 91

[Text] Seoul, July 23 (OANA-YONHAP)—The Seoul Government on Tuesday officially approved an inter-Korean barter deal trading South Korean rice for North Korean coal and cement.

Unification Minister Choe Ho-chung, in a meeting of the committee for South-North Korean exchange and cooperation, said the government will indemnify Cheongji Trading Co., the South Korean partner in the deal, against any losses that may be incurred in case its North Korean counterpart do not deliver its goods within three months.

Cheonji, in an agreement with North Korea's Kumgangsan International Trade and Development Co., is to ship 5,000 tons of rice, valued at 1.75 million U.S. dollars, to Pyongyang, which will in return ship 10,000 tons of cement and 30,000 tons of anthracite to the South Korean firm.

Loading already began aboard Grenada-flagged bulk carrier condor at the southwestern port of Mokpo. The freighter is set to sail on Saturday.

Cheonji purchased the rice on credit from the agriculture, forestry and fisheries ministry at 350 dollars per ton and must pay within three months.

The committee had already approved the barter trade last April but had to deliberate again after North Korea changed the contract terms. Kumgangsan representatives said it will give its delivery schedule later than originally promised, after receipt of South Korean rice.

Army To Assume Panmunjom Guard Duty From U.S.

SK2407084991 Seoul KBS-1 Radio Network in Korean 0730 GMT 24 Jul 91

[Text] The responsibility for guarding a 1-mile long area in the rear of Panmunjom, which the U.S. troops are responsible for of the 155-mile long armistice line, will be shifted onto the ROK Army at the end of the year, at the earliest.

The Ministry of National Defense [MND] today revealed that a principled agreement was reached between the ROK and U.S. side on the ROK Army's taking charge of guarding the headquarters area of the Military Armistice Commission [MAC] at the rear of the Joint Security Area [JSA] which a battalion from the 2d U.S. Infantry Division is guarding at present. But the MND added that the time and method of shifting the responsibility will be decided during the conference of ROK-U.S. Military Committee slated for November in Seoul.

The MND also said that according to the agreement of the ROK-U.S. Military Committee last year, among approximately 300 guards of the United Nations Command posted in the JSA at Panmunjom, the ROK army guards will be increased to 200 from the present number of 100 to create the proportion of seven to three.

However, the MND stressed that the concrete date revealed by today's edition of Japan's YOMIURI SHIMBUN, which reported that the ROK Army will take charge of guarding Panmunjom from October this year, is groundless.

Editorial Urges U.S. Troop Withdrawal

SK2407014691 Seoul HANGYORE SINMUN in Korean 23 Jul 91 p 2

[Editorial: "How Long Are U.S. Forces Going to Stay? They Should Not Relocate Their Bases But Completely Withdraw From South Korea"]

[Text] On 19 July the Ministry of National Defense and the Headquarters of the U.S. Forces in Korea announced that the military base of the U.S. Forces located in Yongsan, Seoul, will be relocated to Pyongtaek and Osan, Kyonggi Province, in the period of 1996-1997. Following this announcement, there have been no repercussions from the people. Despite the fact that the announcement is tantamount to an expression of the United States' will to station its military forces in Korea even into the 2000s, our press, which is responsible for leading public opinion, handled this important issue briefly, passing lightly over it. The press simply reported the opposition of Pyongtaek and Osan residents to the relocation of the U.S. military base to their area and the restless atmosphere of businessmen and government officials there who believe that the relocation of the miliary base would be conducive to developing their districts.

Of course, the announcement on the relocation of the military base itself does not shock us. The ROK and U.S. Governments launched negotiations on this issue in 1988. It also was learned that in the course of the negotiations, the United States asked the ROK to bear all costs required for the relocation. However, we cannot but consider seriously the precise atmosphere of our society in which the people tend to accept as a "natural result" the announcement by the U.S. Forces in Korea—which have had our country and nation at their beck and call for half a century—on their "redeployment plan," which is tantamount to a plan for permanent military stationing in South Korea.

According to the announcement of the Headquarters of the U.S. Forces in Korea, the ROK-U.S. Combined Forces Command and other major headquarters will be relocated to the Pyongtaek-Osan area, and the United Nations Command and U.S. military personnel of the Military Armistice Commission will remain in Seoul. Insomuch that North and South Korea will enter the United Nations simultaneously this autumn, it is quite contradictory for the headquarters of the "UN Forces," which regards North Korea as the "enemy," to remain in

Seoul. Furthermore, what we can hardly understand is that the ROK side should bear all costs required for the relocation of the military base. Why on earth should the ROK Government bear all costs required for it? It is said that the total cost for the relocation of the military base is approximately $1,700 million or 1.2 trillion won in Korean currency.

Why should the U.S. forces continue to stay in South Korea? This question may sound like a hackneyed question. However, it is a very serious question that we should not overlook. Why? The reason is clear. As long as the United States stations its troops and deploys nuclear weapons and other modern weapons in the southern part of our divided fatherland, the military confrontation between the North and the South will not be removed and the peaceful reunification of the country will not be achieved.

Since the United States started to enforce its military government in South Korea in early September 1945, the U.S. Forces in Korea have been the most important means of dominating South Korea's political, economic, military, and cultural fields. This is an open secret. If the successive presidents, such as Syngman Rhee, Pak Chung-hui, and Chon Tu-hwan, had failed to receive support and protection from the U.S. Government or from U.S. military figures, they could not have maintained their power. No one can deny this. Of course, some scholars believe that eventually they would have stepped down from power in the last period of their rule due to the influence that the United States directly and indirectly exercised upon them.

Chang Myon, prime minister of the first democratic government established after the April revolution, secretly pushed for ROK-Japan talks because of the U.S. intention to build an "anticommunist bridgehead" by forming an ROK-United States-Japan tripartite system in the Far East. It is chronic common sense that any government or politician in South Korea can hardly maintain his political life if he implements a policy counter to U.S. interests or calls for withdrawing U.S. troops from South Korea.

If there were no U.S. troops in South Korea would political leaders and key figures constituting the main force of each sector in South Korea really have to act by studying the United States' pleasure?

The main axis of power exercised by the U.S. forces in South Korea is their operational right over the South Korean Army. Almost all units, with the exception of only a few, must report to the ROK- U.S. Combined Forces Command even on their minor activities, and U.S. intelligence organizations conduct surveillance on ROK Army movement. Under these conditions, it is impossible for the ROK Government and authorities to fully exercise the prerogative of supreme command of the army.

One of the theoretical bases for opposing U.S. troop withdrawal is the threat of North Korea's "southward invasion." However, this assertion is no longer persuasive. According to the information made public by the Unification Board on 12 April, the estimated amount of North Korea's "substantive military expenditure" this year is $5.33 billion, which is only 48.8 percent of South Korea's. Investigation by international military experts shows that South Korea is either equivalent or superior to North Korea in terms of manpower, weapons, and scientific and technological combat capabilities. One can win victory in war only when one has fighting power three to five times more powerful than one's opponent. Therefore, there is no basis for the observation that North Korea can "liberate" South Korea by means of force, just as in the time of the Korean war.

This notwithstanding, U.S. forces are pushing for permanent occupation, while the ROK Government is supporting this even by offering astronomical amounts of money from the nation's budget.

At a time when the Soviet Union and China liquidated the structure of confrontation with the United States and when North Korea has no capability of independently carrying out a war, the claim that the U.S. troops in South Korea restrain southward invasion is not right. We call on the United States to head in the direction of complete withdrawal so as not to pose an obstacle on the road of reunification along which North and South Korea will advance according to the principles of independence, peace, and great national unity by concluding a nonaggression agreement.

Deputy Premier Speaks on EPB: Past, Future

SK2307031691 Seoul THE KOREA TIMES in English 23 Jul 91 p 8

[Text] Deputy Premier-Economic Planning Minister Choe Kak-kyu said yesterday that policies should be formulated so that the nation's economy can grow based on free market principles freed from government-initiated ones.

Choe was speaking to officials of the Economic Planning Board [EPB] in a ceremony marking the 30th founding anniversary of the EPB yesterday.

Choe said that the history of economic development in Korea showed the footprints of the EPB and its sweat and efforts.

The EPB was founded on July 22, 1961, two months after the May 16 military coup by late president Park Chong-hui to develop the economy and to solve the chronic poverty of the people.

The EPB initiated the first five-year economic development program for 1962-66 to get the economic development going in full swing.

Now the sixth five-year plan is to be completed this year and the seventh one, starting next year, has been being planned by the EPB.

Choe said that the nation's per capita GNP has grown from below $100 in 1961 to $6,000 estimated for this year thanks to the strenuous five-year plans by the EPB.

The EPB has played a key role in planning and coordinating overall economic policies with budget planning functions since its founding.

In the 1960s, the EPB emphasized the consolidation of a self-supporting economy based on export oriented policies as the country has few natural resources.

To secure raw materials and investment funds for export drive, the EPB overhauled the Foreign Capital Introduction Promotion Law which facilitated the import of foreign capital and foreign investment.

The International Economic Council of Korea (IECOK) was founded under the initiative of the EPB to promote economic exchange and import of foreign capital.

To back up the economic growth, the EPB allocated more budget to the construction of social infrastructure such as roads, multi-purpose dams and power plants.

Foreign capital and foreign investment-related bureaus were installed or reshaped in the 1960s, showing how much the EPB worked to induce foreign capital amid lack of domestic funds.

In the 1970s, the economic development plans focused on sustaining economic growth amid low inflation.

Two oil crises drove the economy into a situation of high inflationary pressure in the take-off period of the 1970—the first in 1973 and the second 1979.

The EPB drew up striking measures such as a freeze on repayments of curb loans, cuts of bank interest rates and depreciation of the won currency against the U.S. dollar to survive the first oil shock.

Furthermore, the EPB wrote legislation for the stabilization of price in March, 1973 and legislation on price stability and fair trade three years later also to stabilize prices.

Korean constructors actively participated in construction work in Middle East countries with the help of the government which established measures on the promotion of construction activities in the new market in December, 1975.

The Middle East construction boom helped the nation promote exports and sharpen competitiveness of manufacturing industries till the oil shock in 1979.

The EPB also focused on the development of heavy and chemical industry. The government gave various kinds of financing and tax favors to six kinds of heavy and chemical industries from 1972. The six were steel, machinery, automobile, electronics, shipbuilding, petrochemicals.

The economy also experienced severe problems because of excessive investment late in the 1970s.

In the 1980s, the EPB was obliged to change the existing growth- oriented policy as high economic growth was accompanied by a high inflation rate.

As a result, the government emphasized economic stability and balanced economic development along with internationalization.

The policies were successful in pulling down high prices to stable single-dight inflation rates. The EPB even froze the growth of budget and salary of public servants in 1983 to hold down inflationary pressure.

The Monopoly Regulation and Fair Trade Act was legislated in December, 1980, to decentralize the economy.

In the 1990s, the nation's economy has faced severe challenges from foreign countries.

Export Gains Described as 'Sluggish'

SK2007004591 Seoul THE KOREA HERALD in English 20 Jul 91 p 6

[Text] It may now be too hasty to say, but the government's trade figures as of mid-July are hinting that hard times lie head for the country to keep its international balance of payments goal this year.

The daily export-import bulletin at the Ministry of Trade and Industry [MTI] showed yesterday that exports in the first 16 days of July climbed 12 percent from a year earlier to $2.3 billion, only to be far outweighed by the import surge of 34.9 percent, or $3.83 billion.

The export gains themselves are weaker than the comparable rate of 15.2 percent in June or 14.7 percent in the first half period, officials said. Much more worrisome, however, is the unrelenting pace of import rises, they said. The 16-day import growth rate of 34.9 percent compares with a 7.1 percent rise a year ago.

Explaining the sluggish exports, the officials said large general trading companies advanced their shipments last month to maximize their export figures in the year ending June, which will be used as criteria in the government's selection of model exporters on Nov. 30 Trade Day.

"Some of them literally pushed out the goods to win the coveted $7 billion Export Tower Award last month, leaving virtually no volume for this month," Kim Kyonsop, director of the MTI's First Export Division, said.

Imports, on the other hand, gained even more momentum by a combination of "evil elements," he said.

Kim cited the influx of agricultural, and livestock products, including beef, triggered by the government's inflation-fighting efforts, as one of the main culprits.

The start of the release of the government's special foreign exchange loan to help finance the imports of machinery that cannot be readily substituted by locally-produced products also fueled the already massive capital goods imports for the firms' plant and facility investments, he said.

The 16-day trade loss of $1.53 billion needs to be tamed to at least $600 million toward the end of this month and further to $400-$500 million in August, or the ministry's initial projection of a $300 million trade surplus in the latter half part of the year may not come true, trade watchers said.

Korea's trade deficit in the first half year amounted to a record $6.34 billion, hit by slow export recovery and rocketing imports, including sharply higher oil bills. The ministry said early this month that the nation will be able to curb the annual deficit to $6 billion.

"We are still optimistic that the goal will be achieved, in view of the global economic recovery and stable oil prices," Kim said.

That may prove a far cry from reality, the analysts said, unless the steep imports, sparked in part by the rekindled purchase of luxury goods are curbed and the competitiveness of Korean export goods regain their previous strength.

Antidumping Duty on Foreign Firms Criticized

SK2407024891 Seoul THE KOREA HERALD in English 24 Jul 91 p 6

[News analysis by staff reporter Choe Song-chin]

[Text] Korea's first antidumping duty imposition on three foreign firms seems likely to have far-reaching effects on its industry and trade; much more in fact, than the mere rate of punitive tariffs will do on involved firms.

As had been widely expected, the Korean Customs Deliberation Committee came up with the decision to slap penalty duty on three plastic resin makers—EI Du Pont de Nemours Inc. and Hoechst Celanese Corp. of the United States and Asahi Chemical Corp. of Japan—for dumping their products here at much lower prices than in their home markets.

What was unexpected, however, was the method used to calculate the duty, and the quite low punitive tariff rate of 4 percent thus produced.

Under the so-called "standard import price" method of computing dumping duty, the foreign firms may even avoid the payment of the higher tariffs if only they increase their import prices by 4 percent from the present $1,990 to $2,082 per ton on the average.

The Korea Customs Administration ruled earlier that the three alien petrochemical firms dumped their goods here by margins ranging between 20.6 percent and 107.6 percent, according to different grades of the polyacetal resin.

By sharply lowering the antidumping duty rates, the government might have attempted to justify the decision of the Korean Trade Commission [KTC] on industrial injury as a fair and objective one, while appeasing the U.S. administration's protest against the KTC decision as shown by the U.S. Trade Representative's request for formal consultation on the matter June 21.

Many analysts here, however, doubt the wisdom of such a fence-sitting stance on this particular case.

Article 8 of GATT's Antidumping Code stipulates that the levying of antiduming duties less than actual dumping rates is more desirable than the imposition of heavy duties equal to the dumping rates, if only the former proves enough to rectify the injuries, a Ministry of Finance [MOF] official said.

"The imposition of punitive duties should aim at neither excessively protecting the domestic industry nor driving out foreign firms, but at preventing injuries to the domestic businesses," he said.

The analysts, however, said that the Korean firms, without exception, have been slapped with much heavier antidumping duties under the dumping rate method abroad.

To better back up their ruling, the government should work out more refined and objective materials to refute the U.S. assertions at GATT's tribunal and antidumping panel, to which the U.S. side is expected to bring the case, if bilateral consultations fail to produce mutually satisfactory compromise, they said.

Any unfavorable decision of the General Agreement on Tariffs and Trade will affect less the involved Korean party, Korea Engineering Plastic [KEP], than the nation's antidumping system itself, they said.

The dumping controversy first started in May 1990 when KEP filed antidumping charges with the MOF against the three foreign firms which the Korean firm said dumped their products at $1,800 per ton price, half of their home prices of $3,600, thus injuring its normal operation and causing managerial losses.

The KTC's seven member panel, five of them private academians, ruled on the foreign firms' industry injury based on the KTC invetigators' year-long fact-finding results.

The three firms, and Du Pont in particular, immediately protested against the 4-3 split decision, saying that although they may have dumped their products, the activities have inflicted no injury on KEP, or the Korean plastic resin industry which KEP represents as sole domestic maker.

The foreigners cited KEP's market share grew from nothing to 56 percent in two year, in comparison with theirs, which declined from 60 percent to 22 percent. they also noted the Korean firms's doubled capacity to 20,000 tons per year and its exports to Japan.

KEP, a joint venture of Tongyang Nylon Co. and a Japanese firm, refutes them point by point.

"It is quite natural that a domestic maker's share increase after successful localization, KEP projected a 20,000-ton capacity goal from the start and artificially low domestic prices triggered by dumping made us turn to foreign markets," a KEP official said.

Polyacetal resin is used in a range of goods, including audio-video tapes, automobiles, and electronic appliances, such as TVs and VTRs. Korea's annual demand for the petrochemical material is now 18,000 tons and is not expected to grow much in the near future.

Prof. Kim Wan-su of Korea University, the KTC chairman, says the injury verdict took into account precedents from abroad, in one of which the EC made the same move against Japanese excavators, by stipulating that when foreign firms lower the prices to levels that make it impossible for the domestic firms to secure production costs and realistic levels of profit, it constitutes industrial injury.

The forthcoming Korea-U.S. consultation will likely focus on the procedural objectivity of the industrial investigations, analysts said.

Korean officials should develop logic befitting a developing country adopting an antidumping system different from that of industrial countries, they said.

The U.S. stance of caviling at a semijudicial body's objectivity, originating from an intention to pressure the Korean government, deserves international criticism, they said.

However, the Korean government also made mistakes by coming up with too low of a dumping duty rate, which is unlikely to satisfy any party involved, they said.

If the government should utilize the antidumping system here, it had better further refine the system, and when a decision is made, it should behave in an appropriate manner so as not to cause the foreign governments to think that a little arm twisting will solve all problems, they said.

Guidelines on Fair Trade Strengthened

SK2407011691 Seoul YONHAP in English 0042 GMT 24 Jul 91

[Text] Seoul, July 24 (YONHAP)—South Korea will strengthen guidelines on fair trade and punishment of unfair practices with special emphasis on foreign enterprises operating in the nation, a highly-placed economic official said Wednesday.

The official said with the opening of the domestic distribution market and liberalization of foreign investment, possibility was mounting for foreign firms to commit unfair practices in the course of promoting their business here.

"So far no foreign company has ever been designated as a monopolizer in the local market, but foreign domination is not a slim possibility any longer," the official said.

He said the government might expand the scope of businesses liable to monopoly control. At present, business firms whose annual turnover exceed 30 billion won and which dominate 50 percent of the market are subject to regulations on monopoly control. Monopoly control regulations are also applied to top three producers of a product when their combined market share exceeds 75 percent.

Fair trade guidelines will be further classified to keep up with the changing business circumstances and punishment for violators such as fines will be bolstered, he said.

Dumping, excessive offering of freebies, exaggerated advertisement and unlawful acts of sales will be closely monitored and sternly dealt with, the official said.

Foreign firms will be banned from imposing unfair conditions on local contractors in the course of opening business tie-ups, he said.

The Finance Ministry on Tuesday levied anti-dumping duties on chemical products exported by two American and one Japanese firms in what is believed to be its first action to curb influx of dumped imports.

Du Pont and Hoechst Celanese of the United States and Asahi Chemicals of Japan will have to pay an average 4 percent in anti- dumping duties in additon to the basic rate of 13 percent for the polyacetal resins for two years from the end of August.

Fishing Boat Seized by Japanese Patrol

SK2307070991 Seoul YONHAP in English 0645 GMT 23 Jul 91

[Text] Pusan, South Korea, July 23 (YONHAP)—A small South Korean trawler with 11 fishermen aboard was seized early Tuesday by a Japanese patrol boat in the seas off Tsushima Island on charges of violating the Japanese territorial waters, the local maritime police here said.

Japan's maritime safety agency informed the Korean maritime police by radio that the No. 9 Seyang, a 113-ton trawler, was taken to Izuhara in southern Tsushima after the Korean boat was found to be fishing at the seas 8.5 miles off the northeastern coast of the island, police said.

The boat left Pusan on July 11 and was to return on July 20. The maritime police will send a patrol boat to Izuhara shortly to investigate the incident, a police officer said.

Petrochemical Plant Plans in North, PRC Viewed

SK2407083691 Seoul YONHAP in English 0749 GMT 24 Jul 91

[Text] Seoul, July 24 (YONHAP)—South Korean petrochemical companies are studying a plan to construct a petrochemical plant in North Korea or China, government and business sources said Wednesday.

The companies have suggested a plan to build a chemical plant in North Korea or China to process polyethylene (pe) and Polypropylene (pp) into plastic films for agricultural use and other chemical products.

The plan was motivated by the need to solve an expected glut in South Korea of intermediate chemical products next year, sources said.

The supply of pe and pp, intermediate materials, will be about 1 million tons in excess from next year as domestic companies began production in earnest this year.

The envisaged plan is to build a processing plant in North Korea to supply the finished products to North Korea and export to third countries.

The South Korean companies are considering forming a consortium in view that the project requires huge capital investments.

Meanwhile, a Trade and Industry Ministry official said that the government has commissioned related organizations to study the feasibility of the plan. He said the chemical project could be one of the many items in which South and North Korea can promote complementary economic exchange.

Mining Company To Test Drill 2 Mines in PRC

SK2307031291 Seoul YONHAP in English 0223 GMT 23 Jul 91

[Text] Seoul, July 23 (YONHAP)—The Energy and Resources Ministry approved Youngpoong Mining Co.'s plans to prospect two mines in China in joint venture with a Chinese firm and a provincial government agency, a spokesman for the company said Tuesday.

Youngpoong is expected to sink diamond drills in Lijiagou lead- zinc mine in Gansu Province and Pangyugou zinc mine in Jilin Province, the spokesman said.

Lijiagou mine, owned by China's National Non-ferrous Metals Industry Corp., is presumed to have 18.86 million tons of lead and zinc, and Pangyugou mine, owned by Jilin Provincial Government , 10.78 million tons of zinc.

Samsung Agreement With Soviet Fishing Firm

SK2407100391 Seoul YONHAP in English 0918 GMT 24 Jul 91

[Text] Seoul, July 24 (OANA-YONHAP)—Samsung Co. of South Korea announced Wednesday it struck a three-year deal to buy Soviet pollack, process them in China and Thailand before selling the final product to the United States.

The contract, effective from next month, calls for purchasing 8,000 tons of pollack every year until 1994 from Soviet fisheries corporation called Sovryflot for yearly payment of 6 million U.S. dollars.

The purchased goods will be processed at Liaoning Province fisheries import and export corp. In China and at Kantang Cold Trading Co. in Thailand, Samsung officials said.

All of the final product, about 4,000 tons a year, will be sold to the United States for 10 million dollars, they said.

Contracts with the three parties were signed early this month.

Company officials said China and Thailand will provide cheaper and larger labor force than South Korea, hopefully upgrading South Korea's competitiveness in fisheries industry.

Samsung will be exchanging workers for job training, and about 20 people are expected from China in September and October, the officials said.

KAL To Produce Aircraft for Export by 1993

SK2307023191 Seoul THE KOREA HERALD in English 23 Jul 91 p 3

[Text] The first Korean-made aircraft is expected to start commercial flights in September, 1993, its developer Korean Air [KAL] said yesterday.

Dubbed "Changgong" (sky)-91, the aircraft is a four-to-give seater with a maximum cruising speed of 242km an hour, the Korea's main carrier said at a seminar.

In the final stage of development by KAL's Aviation Technology Institute, the KAL officials said, the aircraft can be used for both civilian and military purposes.

The seminar was to discuss the procedures for the Korean-made aircraft to obtain the Airworthiness Certificate from the Korean government and for Korea to conclude Bilateral Airworthiness Agreement with the U.S. government to open the way for the aircraft to be exported.

Participants in the seminar included officials from the Korean Transportation Ministry, aviation research institutes and the Federal Aviation Agency of the United States.

The "Changgong"-91 is so competitive in both price and technology level that its annual exports will reach at least 200 once Korea signs the Bilateral Airworthiness Agreement for the aircraft with the United States, KAL officials said.

The aircraft can be used for basic training of pilots and for air surveilance of forests and coast, and for news coverage by news media agencies, they said.

It is 7.7 meters long and weighs 1,225kg, about the weight of a subcompact sedan.

The first test aircraft will be completed late this month and will undergo ground and structural tests, KAL officials said.

The second test aircraft will be assembled by late September and undergo advanced ground test and basic flight experiment at the KAL's Basic Aviation Training Institute on Cheju Island.

The third and final test aircraft will roll out of KAL's aircraft plant in Kimhae near Pusan by May, 1992, and will undergo extensive flight test.

The aircraft is expected to start commercial flight once the KAL obtains the Airworthiness Certificate from the Korean Transportation Ministry in September, 1993.

With 242km an hour of maximum cruising speed, the KAL officials said, the "Changong"-91 will make the round trip from Seoul to Cheju in five and a half hours.

The aircraft will set a new milestone in the history of Korea's aviation industry and serve as a stepping stone for the industry to join the ranks of the world's elite aircraft-manufacturing countries, they said.

Also participating in the development of the Korea's first home- made aircraft are Samsung and Korea Fiber which are in charge of developing and manufacturing aluminum and composite components for the aircraft.

The Airworthiness Certificate is issued by the transportation Ministry when the aircraft passes various strict safety and other quality tests.

The certificate sets the maximum permissible flight speed, altitude and payload of an aircraft.

Footwear Trade Preparing To Enter SRV Market

SK2207124491 Seoul THE KOREA ECONOMIC JOURNAL in English 22 Jul 91 p 17

[Text] With the U.S.'s lifting of its export embargo to Vietnam set for September, Korean footwear makers are busy preparing to advance into that communist country, industry sources said.

Four or five Korean footwear makers, including Kukje Corp., are likely to advance into Vietnam solely or jointly with general trading companies (GTCs) by the end of this year.

Kukje Corp., which has been preparing to participate in the Vietnamese market since last year, reportedly finished market surveys and is now ready to advance into that country upon obtaining government approval thereof.

Sunkyong also plans to advance into Vietnam as soon as the U.S.'s export embargo is lifted. Samyang Tongsang, which produces Nike-brand sports shoes mainly, is pursuing a plan to advance into that country jointly with Lucky-Goldstar Int'l Corp.

Burma

Commission Issues National League 'Announcement'

BK2207145491 Rangoon Burma Television Network in Burmese 1330 GMT 22 Jul 91

[Text] The Commission for Multiparty Democratic General Elections of the Union of Myanmar [Burma] issued Announcement No. 22/91 on 22 July 1991. The announcement reads:

It has been the practice of this Commission to issue announcements in accordance with the Political Parties Registration Law so as to keep the public informed about legally registered political parties.

In keeping up with this practice, this commission hereby makes public Announcement No. 1/91, dated 22 July 1991, of the National League for Democracy, a party which has registered this commission.

The National League for Democracy, No. 97B, West Shwegondine Road, Bahan Township, Yangon [Rangoon].

Announcement No. 1/91

1. The National League for Democracy is a legally registered political party. The exile group headed by Dr. Sein Win has been working under the name of the National Coalition Government of the Union of Burma after joining up with the insurgent KNU [Karen National Union]. In so doing, the group had been making use of the name of the National League for Democracy. The National League for Democracy had never had nor does it have any links today with that group that is outside of the law.

2. The claim by the so-called National Coalition Government of the Union of Burma that it has the support of over 200 elected representatives is completely false.

By the authority vested by the decisions taken at the meeting of the Central Executive Committee of the National League for Democracy on 22 July 1991:

Signed, on behalf of the Central Executive Committee: U Aung Shwe, chairman, National League for Democracy.

National League Charges 4 for Distributing Papers

BK2307152191 Rangoon Burma Television Network in Burmese 1330 GMT 23 Jul 91

[Text] During the first week of September 1990, four people were exposed and arrested by the authorities concerned. These people had, without proper authorization from the National League for Democracy [NLD] and before the party could publish papers about the No. 8 news conference of the NLD regarding the NLD's Gandhi Hall conference, falsified the papers and illegally published them. They are: Hla Min, official in charge of youth affairs in Dawbon township; Htay Lwin, official in charge of youth affairs in Pegu division; Thida Aye, NLD member of Sanchaung township; and Khin Maung Than of Thein Than duplicating and printing works.

Falsified papers regarding that news conference were found being illegally published and distributed without permission of the NLD and before the party could distribute papers about the No. 8 news conference regarding the NLD's Gandhi Hall conference. In this connection, NLD Secretary U Chit Khaing authorized administrative officer U Tin Hla to report to the Bahan Police Station. A preliminary case file No. 994/90 was opened on 24 August 1990 under Article 20 of the 1962 Printers and Publishers.

On 30 July 1990, the NLD led by U Kyi Maung held the No. 8 news conference. Hla Min, Thida Aye, and Htay Lwin met on 31 July 1990 and decided that they would distribute the papers about that news conference before the planned distribution by the NLD.

On 1 August 1990, Hla Min, Htay Lwin, and Thida Aye went to Dawbon Pyithu Monastery and asked the abbot for permission to use the typewriter. Htay Lwin personally typed the documents on a wax mastersheet. The following day, Hla Min duplicated about 500 of these papers at the Thein Than duplicating and printing works belonging to Khin Maung Than of No. 692, Thitsa Street, No. 6 ward, South Okklapa township.

Hla Min, Htay Lwin, and Thida Aye bound the papers into booklets at Hla Min's residence and later put them up for sale. Profits made from the books were distributed among themselves and each made about 200 kyat.

Investigations revealed that the falsified papers on the NLD news conference were not printed and put on sale by elements abroad, but by some youth wing members of the NLD out to make personal gains.

Wordings on the booklet cover were antigovernment in nature. For instance, they said: We totally reject Declaration No. 1/90 of the State Law and Order Restoration Council.

Legal action will be taken against Hla Min, Htay Lwin, Thida Aye, and Khin Maung Than for falsifying papers and illegally publishing and distributing them and for the antigovernment writings on the cover of the falsified NLD news conference booklet.

Brunei, Malaysia & Singapore

Malaysia

Australia's Evans Comments on Strained Relations

BK2207101891 Kuala Lumpur BERNAMA in English 0933 GMT 22 Jul 91

[Text] Kuala Lumpur, July 22 (OANA-BERNAMA)—Australian Foreign and Trade Minister Senator Gareth

Evans said Monday night the freedom that the Australian media enjoys is largely to blame for the strained relations between Malaysia and Australia.

In a speech at the inaugural meeting of the Malaysia-Australia business council here, he identified several issues as being responsible for damaging the relations but gave a point by point reply on the official Australian Government position on such issues.

Evans, who is here to attend the annual conference between ASEAN foreign ministers and their seven dialogue partners, admitted that a number of different groups in the Australian media, parliament and some in the pressure groups had not only been insensitive to contemporary Malaysian realities but also downright insulting.

These issues included the public stances taken by some Australian Parlimentarians and others on the logging of tropical timber and the future of the Penan people in Sarawak, East Malaysia, arrests under the Internal Security Act in 1987, the execution in 1986 of two convicted Australian drug traffickers, and the screening in Australia of the ABC television series called embassy.

Evans, who is scheduled to hold talks with Malaysian Prime Minister Dr. Mahathir Mohamed Tuesday aimed at normalising relations between both countries, said the Australian Government was taking steps to understand the nature of the problem to see what could be done to resolve it "in a quiet way".

Commentary Hails ASEAN Ministerial Meeting

BK2207111391 Kuala Lumpur Voice of Malaysia in English 0800 GMT 22 Jul 91

[Station Commentary]

[Text] The 24th ASEAN ministerial meeting that was held in Kuala Lumpur last week has been hailed as the landmark in the region's history. It was definitely not a case of mere routine. Decisions were taken for the further progress of the ASEAN community. The committment to establishing a free trade area was the most important outcome. At the same time there were some political issues which were clarified and dealt with effectively.

The Cambodian crisis used to be prominent in all previous ASEAN ministerial meetings. Last week, however, the member states noted the rapid turn of events that will probably see the emergence of an acceptable political order in Cambodia. A common ASEAN policy has always been followed in this matter. We can look forward to more ASEAN diplomatic activities aimed at helping Cambodia to achieve peace and stability. ASEAN envoys will be soon proceeding to Phnom Penh to establish formal contacts with the Cambodian Supreme National Council or SNC.

Also on the political front, the ministerial meeting welcomed the presence for the first time of envoys presenting the Soviet Union and China. In all likelihood this will lead to the eventual admission of both countries as dialogue partners. This development highlights the dynamic nature of the ASEAN community. Rather than tying itself down to a rigid ideological approach, ASEAN adopts the pragmatic attitude.

For Malaysia and its prime minister Dr. Mahathir Mohamed the full endorsement of the East Asia Economic Group proposal was a true victory. In this area too, we can look forward to interesting development. A detail report will be tabled at the ASEAN economic ministers conference in October. The success of this idea is yet another example of Malaysia's commanding role in regional and international affairs.

Among broader world issues and concerns, the meeting noted the rapid changes taking place in both Western and European Europe [as heard]. The Malaysian prime minister has always talked of the need to cope with the protectionist trends in the world economy. The ASEAN ministers and heads of states can be expected to examine this problem more fully at the summit in 1992. Apart from the usual multilateral discussions, there were numerous bilateral contacts and exchanges of views. Malaysia and Indonesia signed a memorandum of understanding covering a wide variety of topics.

There were other agreements reached on vital economic and social problems such as that of the Vietnamese boat people. ASEAN continues to press ahead with responses to challenges in economic, political, and engendered greater confindence among ASEAN leaders and their people.

Cambodia

Radio Welcomes Perm Five's Beijing Outcome

BK2307112191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 22 Jul 91

[Station commentary: "An Enormous Momentum Thrusting Toward Achieving a Rational and Just Settlement"]

[Text] One day after the conclusion of the informal Cambodian Supreme National Council [SNC] meeting, the five permanent members of the UN Security Council [UNSC] and the cochairmen of the Paris International Conference on Cambodia also completed their work in Beijing with the issuance of a communique with which an enormous momentum has been created in the search for a rational and just solution to the Cambodian problem.

In its capacity as the guardian of world security and the author of the 28 August 1990 framework document, the Perm Five [five permanent members of the UNSC] and

Indonesia were very pleased with the Cambodian parties' accepting the framework document as the groundwork for settling the Cambodian conflict. The Perm Five and Indonesia called on the SNC, that has already begun its proceedings, to step up its efforts to surmount every remaining difficulty with a view to reaching a compromise so as to further enhance the spirit of a national reconciliation. Besides, the Perm Five and Indonesia also jointly reviewed their competence—which should comply with the wish of the Cambodian SNC and people throughout the country—in regard to issues such as dispatching a UN survey mission to Cambodia to see how the UN secretary general can use his good offices to make sure that the unlimited voluntary cease-fire, effective at present, will be further implemented. Moreover, the Perm Five and Indonesia welcomed the resolution on the nonacceptance of foreign military aid adopted by the Cambodian parties and expressed hope that Cambodia's neighbors would prohibit arms supplies from being channeled through their territories to any Cambodian group. This constitutes an enormous impetus and encouragement for the opposing Cambodian parties, which have decided to accept most of the framework document and UN draft peace plan dated 26 November 1990, to further their discussion through the SNC—the symbol of Cambodia's national independence, sovereignty, and unity—in order to correctly and realistically resolve the remaining issues.

People have already become aware that the remaining issues should be resolved by the Paris international conference's coordinating commission within the SNC. More particularly, at this round of talks in Beijing, the Perm Five made some amendments to the clauses of the draft peace plan concerning the military aspect. The Perm Five have allowed the Cambodian parties, especially the State of Cambodia to keep part of its armed forces until a new government is established in Cambodia through free, fair, and just elections under international supervision.

The Cambodian people, who desire a durable peace without a threat of the return of the genocidal Pol Pot regime, wish to enthusiastically welcome the brilliant idea. Everyone knows that, although the Polpotist clique—under outside pressure—is forced to partially soften its attitude, the gang still persists in maneuvering with the intent of returning to power, then slaughtering the people again. Its nature has not changed at all. As such, the decision by the Perm Five and Indonesia to allow for the preservation of partial armed forces is a testimony substantiating the impression, evoked by the Perm Five and Paris conference cochairmen as well as that of the entire international community, of the reality in Cambodia. This also shows that they too are worried along with the Cambodian people about the danger of an eventual return to power of the genocidal Pol Pot regime.

The Cambodian people wish to again express their profound gratitude to the Perm Five and Indonesia which in the past had exerted strenuous and active efforts to contribute to settling the Cambodian problem on the basis of respects for independence, sovereignty, self-determination of the Cambodian people, and for the UN Charter. Our people ardently hope and believe that, at the meeting in Bangkok on 29-30 August, the Perm Five will come to more deeply understand the root cause of the problem, and will certainly help settle the Cambodian problem via a fair and just solution, come hell or high water.

Canada Studies Accreditation of Envoy to SNC

BK2407094691 Kuala Lumpur BERNAMA in English 0930 GMT 24 Jul 91

[Text] Kuala Lumpur, July 24 (OANA-BERNAMA)—Canada is looking into the question of accrediting a representative to the Supreme National Council (SNC), the reconciliatory council of the four warring Cambodian factions, its secretary of state for external affairs Barbara McDougall said here Wednesday.

"We intend to be in the forefront and not lagging in this respect but we will wait until they have established themselves," she told a press conference after the conclusion of the post-ministerial conference (PMC) between ASEAN and its seven dialogue partners here.

The SNC, headed by Prince Norodom Sihanouk, has decided to locate itself in the Cambodian capital of Phnom Penh this year.

Australia had announced that it had accredited its ambassador in Bangkok to the SNC while Thailand is reported to be opening a mission with an ambassador in Phnom Penh soon.

Regarding efforts towards establishing peace in Cambodia, she said Canada shared the view that a comprehensive settlement should be reached on the Cambodian question.

She said it would be difficult to establish some form of stability in Cambodia without the participation of all factions involved as the situation in the country during the last 12 years had been "most desperate."

On security in the Asia-Pacific region, McDougall noted that there were a number of new initiatives put forward due to changes in the international situation in the last few years.

She welcomed such efforts which she said "should complement the existing or new ones."

Commenting on the discussion held during the meeting between ASEAN and Canada earlier, McDougall said she felt that the Asia-Pacific issues brought up during the meeting were valuable and of great interest to her country as they had contributed some progress towards integrating Canada even more into the region.

Ministry Asks UNESCO for Angkor Protection

BK2207113791 Phnom Penh SPK in French 0445 GMT 22 Jul 91

[Text] Phnom Penh 22 Jul (SPK)—Cambodia's Ministry of Culture asked UNESCO for aid to develop the Angkor region during a meeting held in Phnom Penh on 19 July in the presence of Kong Sam-ol, vice chairman of the Council of Ministers.

Present among others at the meeting—the first of its kind for more than 20 years—were representatives of the government, ministries, and public services as well as specialists and technicians and the particularly famous Khmer architect, Van Molivan, adviser to UNESCO.

The meeting adopted a three-point draft report that would be submitted to UNESCO, dealing mainly with the aid from the international community for the restoration and preservation of historical sites, the construction of new shelters to protect artifacts, the restoration of the national museum, and the construction of a new [word indistinct] in the Angkor region.

The document moreover asked UNESCO to help Cambodia set up a university for the formation and development of technicians in this field and proposed that, in addition to the Angkor Wat temples, it include the temples of Angkor Toch, Angkor Thom, Eastern Baray, Roluos, and Banteay Srei in the list of mankind's cultural patrimonies.

The meeting participants also discussed urgent measures to be taken to protect these sites against destruction by natural calamities and the war.

Heng Samrin Chairs State Council Session

BK2307063891 Phnom Penh SPK in English 0501 GMT 23 Jul 91

[Text] Phnom Penh SPK July 23—The State Council of Cambodia met in Phnom Penh recently with President Heng Samrin in the chair.

The meeting decided to submit a report on its activities and the proposal by the People's Court of Kompong Chhnang Province for commuting sentences of 14 detainees to the 21st session of the National Assembly of the State of Cambodia.

Directive Bans Fund-Raising for Buddhist Lent

BK2307111191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 22 Jul 91

[Directive of the Kampuchean United Front for National Construction and Defense National Council, dated 27 June 1991—read by announcer]

[Text] During the past 12 years, the Kampuchean People's Revolutionary Party, the government of the State of Cambodia, and the Kampuchean United Front for National Construction and Defense [KUFNCD] have paid keen attention to the rights and freedom of the people's religious beliefs.

Buddhism has been declared as state religion by the Constitution of the State of Cambodia. All Buddhist monks and laymen who are faithful Buddhists enjoy the freedom to fulfil their religious and social obligations according to their inclination and faith. Religious and national ceremonies, such as All Souls Day, the Kathen Festival during which robes are presented to Buddhist monks, the Khmer New Year Day, the Boat Racing Festival, the Light Float Festival, the Moon Festival, the Buddhist All Saints Day, Vishakhapuja, the beginning of Buddhist Lent, and the end of Buddhist Lent, have been observed in all monasteries according to set schedules.

The Lord Buddha instructed that Buddhist Lent, which lasts three months, be observed by all Buddhist monks. The Lent starts from the end of July and ends in late October every year.

In Cambodia wherever Buddhism flourishes there are large numbers of Buddhist monks and novices. The faithful always raise funds to buy lent candles and lamp oil for the monks to light up their temples for religious services as well as for their night study. They also offer bathing robes and other necessities to the monks.

As a long-standing practice, on the day Buddhist Lent begins, which always falls on the full moon of the seventh month, the Buddhist followers in long processions take their offerings for the Lord Buddha consisting of lent candles and kerosene and present them to Buddhist monks in monasteries for the above-mentioned good deeds. However, over the past two to three years, the Standing Committee of the KUFNCD National Council has noticed that just before the start of Buddhist Lent there has been a widespread practice of soliciting funds from the Buddhist faithful, especially in Phnom Penh, pretentiously for the sake of supporting the Buddhist monks during Buddhist Lent. The fund-raising methods include many disorderly forms that reflect nothing but dishonor and indignity and are devoid of any real value of Buddhism. Such disorderly solicitation constitutes a phenomenon that affects the prestige and value of Buddhism and can only debilitate the faith of the people. For this reason, in order to protect the good tradition of the Buddhist faithful and safeguard the honor, dignity, and essence of Buddhism, the Standing Committee of the KUFNCD National Council would like to issue the following directive:

1. All benevolent faithful Buddhists who have generously donated money to buy lent candles, buy kerosene, or make bathing robes to be offered to the Buddhist monks during Lent must do so only within the periphery of the villages surrounding their monastery. They are not authorized to raise funds or make processions through the provinces, cities, districts, wards, and communes of one monastery or from that monatery to the provinces, cities, wards, and communes of other monasteries.

2. The fund-raising activities that include carts transporting Buddhist images and big drums, loud-speaker systems, bands of long-drum dancers, and elderly people carrying boxes and bowls in search of donations along the streets, lanes, shophouses, market places, and homes, or toting large funny dolls that obstruct traffic in quest of funds to buy kerosene, lent candles, or bathing robes to support Buddhist monks during the monsoon are forbidden.

3. The parading of lent candles and bathing robes from any village or rallying point can be made only on the day of the full moon of July in order to hand them over to the Buddhist monks.

After receiving this directive, all party, administrative, and front organizations are requested to spread it widely within the ranks of the Buddhist monks, temple committees, and the faithful and to oversee its implementation accordingly in order to maintain good societal order and preserve the genuine values and essence of Buddhism as well as our good traditions.

Made in Phnom Penh on 27 June 1991

For the Standing Committee of the KUFNCD National Council,

Chairman Chea Sim

Chea Sim Receives Vietnamese Student Delegation

BK2307064091 Phnom Penh SPK in English 0458 GMT 23 Jul 91

[Text] Phnom Penh SPK July 23—National Assembly Chairnam Chea Sim received here Monday a delegation of the Vietnamese Students Union led by its Vice President Tran Dac Loi at the end of its visit to Cambodia.

Speaking to his guests, Chea Sim expressed warm welcome to the delegation's visit, describing it as a contribution to the strengthening and development of the solidarity and friendship between the students of Cambodia, Vietnam and Laos and the students all over the world.

The National Assembly chairman also spoke of the process of political solution to the Cambodian problem, especially the informal meeting of the SNC [Supreme National Council] in Beijing saying that it was a step forward in the settlement of the Cambodian conflict.

In his reply, Tran Dac Loi praised the achievements recorded by the Cambodian people in all spheres and pledged to further strengthen the friendship between the students of the Indochinese countries and those of the world.

Sam Sundoeun Meets Lao Amity Delegation

BK2207113991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 22 Jul 91

[Text] On the morning of 20 July at the office of the National Council of the Kampuchean United Front for National Construction and Defense [KUFNCD], Comrade Sam Sundoeun, member of the party Central Committee, standing committee of the KUFNCD National Council, and chairman of the Cambodian-Lao Friendship Association, met and exchanged views and experiences with a delegation of the Lao-Cambodian Friendship Association's Central Committee led by Comrade Khamphan Vilachit, deputy director of the Social Sciences Institute of the Lao People's Democratic Republic, which is on a week-long visit to the State of Cambodia [SOC].

During the meeting, Comrade Sam Sundoeun informed the delegation of the all-round developments in the SOC which have caused the peace process in Cambodia to achieve concrete success. He also informed the delegation of the attention paid by the SOC party and state to promoting the bond of solidarity, friendship, and cooperation between the two peoples of Cambodia and Laos as well as among Cambodia, Vietnam, and Laos.

In his reply, Comrade Khamphan Vilachit stressed that the Lao-Cambodian Friendship Association has paid attention to expanding the bond of friendship and solidarity between the two peoples by establishing its branches in various provinces, such as Vientiane, Savannakhet, and Champassak.

Comrade Khamphan Vilachit stressed: The Lao people would like to reaffirm that no power can destroy our long-standing traditional relations. We will make every effort to maintain and enable the bond of solidarity and friendship between the two countries to further consolidate firmly and expand continuously. The Lao people fully support the SOC party and government in the search for a political solution to bring genuine peace and justice to the Cambodian people.

KPNLF Reports Attacks by Phnom Penh Troops

BK2407052091 Hong Kong AFP in English 0516 GMT 24 Jul 91

[Text] Bangkok, July 24 (AFP)—Phnom Penh Government forces launched attacks against non-communist guerrilla positions in northwestern Cambodia Tuesday, guerrilla officials said Wednesday.

About 250-300 Phnom Penh Government soldiers were involved in the attacks on Khmer People's National Liberation Front (KPNLF) forces, the officials said.

"It was not a large-scale offensive, they're testing our lines," said KPNLF military official Ok Serea-sopheak.

There have been numerous small attacks by Phnom Penh Government forces on KPNLF positions since the four factions agreed to a cease- fire on May 1, Mr. Ok Serea-sopheak said.

SRV Troops, Tanks Launch Attack in Pursat

BK2407004691 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 23 Jul 91

[Text] The Supreme National Council in Krakor District in Pursat Province has reported that on 10 July the Hanoi Vietnamese aggressors dispatched 1,500 fresh Vietnamese troops from Vietnam dressed in genuine Vietnamese soldiers' uniforms, along with five T- 54 tanks, one 130-mm gun, and three 122-mm D-30 guns.

These fresh Vietnamese troops were brought via Phnum Den along National Route 2, through Takeo Province and Phnom Penh, and stationed at Phnum Kuk in Krakor District, Pursat Province. Upon getting off the trucks, 150 of these fresh Vietnamese soldiers immediately fled home.

Two days later the Hanoi enemy began offensives against the Cambodian National Resistance Forces in the zones under the latter's control in Krakor District.

Son Sann Reports on Beijing SNC Meetings

BK2407095591 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 24 Jul 91

["Message of His Excellency Son Sann, president of the Khmer People's National Liberation Front, prime minister of the Cambodian National Government, and member of the Cambodian Supreme National Council, to the clergy and Cambodian compatriots nationwide after the meetings of the Supreme National Council and of the five major powers on Cambodia in Beijing, China"; place and date not given—recorded]

[Text] Greetings respected clergy and beloved compatriots—those inside Cambodia, on the border, and abroad. Today, I am most happy to report to you on the outcome of the Supreme National Council [SNC] in Beijing, which was immediately followed by the meeting of the five major powers, the Indonesian and French cochairmen, and the representative of the UN Secretary General.

You are all aware of both of these. The Voice of the Khmer [VOK] radio will report in detail on the fine results of the SNC meeting. It was a good result; all of us are satisfied with it. After that, as I said, the five major powers, the cochairmen, and the UN Secretary General representative met. Our SNC met on 16 and 17 July and the five major powers met on 17 and 18 July to assess the result of the SNC meeting. At the five major powers' meeting, it was noted that all the Cambodians once again solemnly agreed in writing in the joint communique, saying that all four Cambodian parties accept in its entirety the framework document of the five major powers dated 28 August 1990. The five major powers expressed joy at the four Cambodian parties' agreement. This represents a big step forward in the search for a comprehensive solution, already worked out by the five major powers, to solve the Cambodian problem.

The five major powers welcomed the SNC's election of Samdech Norodom Sihanouk as chairman. As you know, earlier the samdech was granted only the title of chairman of a meeting; however, in Beijing, the four parties agreed that Samdech Norodom Sihanouk should be the SNC chairman. Furthermore, the meeting in Beijing created a new and good situation for progress in the search for peace for our compatriots. The five major powers and Indonesia have appealed to our SNC to make further efforts to quickly eliminate remaining obstacles so that the nation can be reconciled and that a comprehensive solution can be achieved, based on the five major powers' framework document of 26 November 1990

It is hoped that at the forthcoming meeting in Bangkok—the four Cambodian parties have agreed to meet on 26, 27, and 28 August this year—good results will be achieved. Only one or two major issues remain to be solved. After that, we should go to Paris, France—where a conference has already been held and a compehensive solution agreed on—to hold an international conference on solving the Cambodian problem so that our compatriots can freely vote in a general election. The SNC would probably agree with the former and also with the latter idea of implementing the forthcoming agreement in Paris.

Furthermore, at their meeting in Beijing, the five major powers and Indonesia also welcomed our SNC's agreement to implement an unlimited cease-fire. They also agreed with the four Cambodian parties' decision to stop accepting foreign military aid and ask that all the countries involved in supplying aid to abide by this decision. The five major powers and Indonesia also expressed the hope that Cambodia's neighboring countries, Thailand on one side and Vietnam on the other, would not forward weapons to the four warring Cambodian parties.

On this issue, I would like to inform you that there are still reports about fierce fighting in Pailin, Stoung in Kompong Thom, and Chikreng in Siem Reap. I do not know who is attacking who. Since the four Cambodian parties—the Phnom Penh side and the tripartite side of the Cambodian National Government, which includes the Sihanouk party, the Khieu Samphan party, and our party—have agreed to a cease-fire, who is doing the fighting? It must be the Vietnamese. Compatriots, please be informed about this.

Therefore, we have appealed to the five major powers at their meeting in Beijing, and they have agreed that all foreign forces should be withdrawn from Cambodia—there are no other forces apart from Vietnamese forces—

and that the United Nations control all of this. This is very good. Please be informed.

Thus, our SNC has already asked the United Nations to send in a mission to quickly assist in controlling the cease-fire in Cambodia. We have also made the same request to the five major powers, who met after the SNC meeting, insisting on the quick dispatch of a UN mission to find out who is not abiding by the cease-fire agreement. The mission that the United Nations will dispatch will also organize the UN international force of the UNTAC [UN Transitional Authority in Cambodia] in order to ensure that the unlimited cease-fire becomes a genuine and lasting one.

Furthermore, the five major powers and Indonesia also welcomed the agreement of the SNC, led by Samdech Norodom Sihanouk, on establishing itself in Phnom Penh in November. In only a few more months, we will be going to Phnom Penh to set up an office and work there. The five major powers supported this decision and pledged to accredit diplomats of the six countries in Phnom Penh once the SNC has set up offices there. This is in order to provide assistance from then on concerning the organization of free and general elections under the auspices of the UN.

This was a major step by the United Nations and the five major powers. This has already been agreed upon in the 28 August 1990 framework document and in the 26 November 1990 document.

We the four parties in the SNC have agreed to meet in August on 26-28 in Bangkok. The five major powers, the cochairmen, and the UN Secretary General representative have agreed to closely follow us and will also meet in August on 29 and 30 August. They will follow the result of the SNC meeting in August in Bangkok with the hope that, if it is fruitful, they will ask France and Indonesia to finally convene the international conference in Paris. The United Nations would then accept and implement all the results in Cambodia.

This year, if there are no obstacles, and if Cambodians are reconciled and unifed, have compassion for their compatriots, and want peace for Cambodia, this can be achieved. The five major powers, the cochairmen, and the United Nations are only waiting for the four Cambodian parties in the SNC to agree among themselves before giving final assistance.

Please be informed and have hope. Also please keep an eye on the involment of non-Cambodians. I thought [change of thought], I hope that Cambodians now understand one another and are reconciled. But watch out just in case there are foreigners, Vietnamese to be precise, involved in this, who can prevent us from making progress toward reaching a conclusion in Paris that will bring peace, happiness, and prosperity to you, the clergy and compatriots in Cambodia.

VODK Reiterates Call for UN Security Force

BK2407030791 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 23 Jul 91

[Station commentary: "It is necessary to have sufficient UN force in order to ensure effective control in Cambodia leading to a political, comprehensive, and definitive solution to end Vietnam's nearly 13 years war of aggression in Cambodia"]

[Text] On 18 July, at the meeting in Beijing on the Cambodian issue, the five permanent members of the UN Security Council [UNSC] and the Paris International Conference on Cambodia cochairmen issued a communique agreeing to send a survey mission to Cambodia at the request of the Supreme National Council [SNC]. This team will start organizing the military aspect of the UN Transitional Authority in Cambodia.

The communique also says the UNSC five permanent members and Indonesia reiterate that the withdrawal of foreign forces from Cambodia, the cease-fire, and the cessation of foreign military aid should be effectively controlled by the United Nations.

The above communique of the UNSC five permanent members and Indonesia is very correct. The effective and genuine control of the United Nations is a major and necessary component of a political and comprehensive solution to end Vietnam's war of aggression. At the SNC meeting in Phatthaya from 24 to 26 June, the four Cambodian parties agreed to a cease-fire and to stop receiving foreign military aid. However, there is nothing yet to ensure the cease-fire and the end of military aid. Thus, an effective UN control can ensure that a cease-fire and an end of foreign military aid be genuinely implemented and advance a solution to ending Vietnam's war of aggression in Cambodia.

How much UN force is needed for this control? The war in Cambodia has been going on for nearly 13 years. Troops of both sides have fought throughout the country, in rural areas and in cities and along various strategic roads nationwide. Furthermore, the Cambodian border adjoining Vietnam is thousands of kilometers long on land and at sea. There are numerous roads and passes through which Vietnam can easily send its weapons and troops to Cambodia. Therefore, the UN control force should be large—on the scale of tens of thousands of men to ensure an effective control.

However, to reduce differences on the strength of this force, we do not demand that this large force be dispatched at one time. We propose that initially between 500 and 600, or 700 men be sent; this force would then gradually be reinforced.

This proposal reflects the sincerity of our national resistance forces for a genuine cease-fire and a halt of military aid in order to move toward solving Vietnam's war of aggression in Cambodia politically and comprehensively in accordance with the UNSC five permanent members' documents.

Philippines

Manglapus To Conduct Information Drive on Bases

HK2207061291 Manila PHILIPPINES NEWSDAY in English 22 Jul 91 pp 1, 2

[By Arthur I. Bariuad, reporter]

[Text] Foreign Secretary Raul Manglapus has vowed to undertake an "intense countrywide campaign" to clear up the terms of the new Philippine-American Cooperation Treaty [PACT] in the hope of influencing the predominantly antibases Senate into ratifying the new accord.

The draft of the PACT is also expected to be finalized this week by Manglapus upon his return from Kuala Lumpur.

A statement released to media last week said: "After the signing (of the new agreement), he (Manglapus) will begin an intense countrywide campaign of information which he hopes will lead to Senate ratification."

The statement also said that "upon his return next week, Manglapus is expected to finalize a treaty to be signed by him and U.S. Secretary of State James Baker III."

Manglapus is expected to arrive in Manila on Thursday from Kula Lumpur where he attended the annual foreign ministers meeting of the Association of Southeast Asian Nations (ASEAN).

Manglapus, who openly supports the consultation process advocated by some members of Congress, believes the information campaign will result in peope's support for the new agreement.

Manglapus, anticipating a wave of criticisms, also told the ASEAN foreign ministers that the Aquino regime was ready for the charges that would be launched against the government.

Aside from the mixed reactions the agreement got from the different sectors of society—a bad deal, a sellout—the 23-member Senate vowed that the treaty would meet stiff opposition for its ratification.

Under the 1987 Constitution, the treaty has to be ratified and approved by two-thirds of the Senate. At least 13 senators have opposed U.S. continued stay in the country's military bases.

The Manglapus-Armitage Cooperation Agreement, concluded last week between the Philippines and the United States, provides a 10-year extension of America's use of the Subic Naval Base for an annual compensation of $203 million plus non-bases related benefits amounting to $570 yearly. The volcano devastated Clark Air Base would be turned over to the Philippine government on September 16, 1992.

No date for the signing has been scheduled, nor the site, but Philippine officials want the signing done in Manila. A diplomatic source said the signing might take place on the first week of August because Baker would still have to go back to Washington from Kuala Lumpur after the ASEAN Post Ministerial Conference.

Reports have been circulating last week that Baker would arrive in Manila with Manglapus, but U.S. embassy spokesman Stanley Schrager denied Baker's trip to Manila. He said Baker would go back to Washington for consultations with President Bush.

Senate President Remarks on U.S. Bases Issue

HK2207095891 Manila PHILIPPINE DAILY INQUIRER in English 21 Jul 91 p 1, 12

[By Tony S. Bergonia]

[Text] Negotiations on the future of Subic Naval Base are not yet over despite the announcement made by the Philippine and U.S. panels that they had reached agreement on the issues of duration and compensation, Senate President Jovito Salonga said yesterday.

The final draft of the proposed treaty has not been sent to the Senate, indicating that negotiators were still discussing some issues, Salonga told a news conference.

"What I have received is merely a very rough draft (of the treaty) with indications that there are still unresolved maters. This means that the final draft is still being negotiated between Washington and Manila," he said.

Foreign Secretary Raul Manglapus, chief of the Philippine panel, and Richard Armitage, his US counterpart, said last Wednesday they had reached agreement on the difficult issues of compensation and duration. Under the agreement, the Philippines will receive $203 million a year in exchange for allowing U.S. military forces to remain at Subic for 10 years. Washington decided to abandon Clark Air Base after it suffered heavy damage from the eruptions of Mt. Pinatubo.

"The only points of agreement as I see it are on compensation and duration," Salonga said.

Provisions on such key issue as nuclear weapons and criminal jurisdiction are still being hammered out, he said.

But the complete draft of the treaty could be finished tomorrow, he added.

The United States wants to maintain its policy of neither confirming nor denying the presence of nuclear weapons in the bases. But the Philippine Constitution expressly bars the storage or transit of such weapons in Philippine territory.

The presence of nuclear weapons in the bases has been documented by anti-bases activists.

Documents submitted recently to the Senate foreign relations committee showed that U.S. forces have been keeping nuclear and other nonconventional weapons in the bases.

Another unresolved question is whether Philippine or U.S. laws should apply to American servicemen who commit crimes in base areas.

Senators quoted Manglapus after a meeting last Tuesday in Malacanang as saying that Washington had agreed to limit the issuance of "duty certificates" to U.S. servicemen going out of the bases. The certificates assure U.S. custody over servicemen violating Philippine laws.

But senators who want complete Philippine jurisdiction over [word indistinct] U.S. troops and personnel said this provision was not satisfactory.

The proposed treaty has met stiff opposition even from pro-bases senators. The treaty must be ratified by two-thirds of the 23-man Senate.

Senators John Osmena and Ernesto Herrera, who have advocated continued U.S. presence in the country, said they would reject the proposed treaty if it is put to a vote.

Osmena said the proposed compensation was too low, while Herrera objected to the absence of a provision protecting displaced base workers, particularly in Clark.

The two senators have called for the renegotiation of the treaty.

The current treaty expires on Sept. 16 this year, but senators have conflicting interpretations on the constitutional prohibition on foreign military bases beyond that date.

Salonga and several senators believed that under the Ramos-Rusk agreement, the Americans have one year or up to Sept. 16, 1992 to pack up and leave.

Anti-bases senators, led by Senators Wigberto Tanada and Rene Saguisag, said the Americans would have to start leaving the bases immediately after the current treaty expires unless it is replaced by a new one.

Labor Protection Issue Supported in Bases Treaty

HK2207071191 Manila MANILA BULLETIN in English 22 Jul 91 pp 1, 23

[Text] President Aquino was urged yesterday not to sign the new Philippine-American military bases treaty as it contains no provisions guaranteeing compensation and alternative employment for some 20,000 workers who will be jobless with the forthcoming closure of Clark Air Base.

Voicing the sentiment of the House of Repesentatives, Rep. [Representative] Leonardo L. Guerrero (LDP [Struggle of Philippine Democrats], Cavite), chairman of the House agriculture committee, bitterly criticized the Philippine negotiating panel, led by Foreign Secretary Raul S. Manglapus, for "completely ignoring the Filipino labor component during the year-long negotiations."

"This constitutes a severe flaw in the bilateral agreement, for which Manglapus should be taken into public account," said Guerrero, under whose term as founding president of the federation of Filipino base workers' unions the collective bargaining contract with the American authorities was won in the 60s.

If based alone on this "fundamental defect," he said President Aquino should demand a new round of negotiations to install provisions in the treaty to compensate the Filipinos for the loss of their jobs, not through their fault, or to open for them alternative sources of income.

The American government should be obligated to pay the equivalent of the latest monthly salary for every year of service for some 5,000 under "direct hire" system, which is the equivalent to a permanent employment status in the Philippine labor market.

"Indirect hire" workers, numbering to about 15,000, should as well be compensated, he said. These include concessionaires, barbers, laundry and other workers doing important support servces.

Guerrero said the workers were paid out of payrolls totalling P [peso] [figure indistinct] million monthly, a substantial loss in the main money stream of Philippine economy.

Speaker Ramon V. Mitra Jr. recalled that House officials had reminded Manglapus, in several conferences in the course of the "protracted bilateral negotiations," to bear in mind the labor component as central provision in the new treaty.

Rep. Gualberto Lumauig (LDP, Ifugao) said the new bases treaty is meaningless without considering the compensation for the displaced workers.

Guerrero said he will raise the issue when the House tackles the widespread demand for a review of the bases as a top-priority item on the agenda next week.

Mitra sought a copy of the treaty, already approved but yet uninitialed by the Philippine and U.S. panels, as basis for discussion when he convenes the House to a caucus shortly.

The House leader also called the attention of the Senate to a resolution long approved by the House calling for a referendum before the treaty is ratified by the Senate.

The Constitution provides that after the treaty is negotiated, this is to be submitted by the Philippine panel to President Aquino for her signature, thereafter to be referred to the Senate for ratification.

The House has taken the position that the treaty be first submitted to a referendum to solicit the sentiment of the citizenry before this is brought to the Senate.

But the Senate insists in priority jurisdiction for ratification before this is submitted to a referendum.

Mitra and other House leaders recalled having asked Manglapus to include Guerrero as a consultant, to make use of his knowledge and experience in dealing with American base authorities.

Rep. Jose de Venecia (LDP, Pangasinan), chairman of the House foreign affairs committee; Rep. Miguel Romero (LDP, Negros Oriental), vice chairman of the Commission on Appointments; Rep. Jose Yap (LDP, Tarlac), head of the House defense committee and Rep. Jose Conjuangco (LDP, Tarlac) said Manglapus consented, in a number of conferences, to consider Guerrero's inclusion. But the foreign secretary never called on him during the negotiations.

"Had I served on the negotiating panel,I would have batted strongly for the compensation of the base workers," said Guerrero, "The failure to include the workers on the bases in the treaty shows the panel's abandonment of its responsibilities."

He said the treaty should be thrown back to the panel to install these vital provisions before the document is submitted for the Chief Executive's signature, recalling he reminded Manglapus in conferences early on in 1988.

4 Senators Call for Bases Treaty Renegotiations

HK2307040491 Manila Far East Broadcasting Company in Tagalog 0100 GMT 23 Jul 91

[Text] Four senators have said they are in favor of new negotiations for the U.S. bases agreement. The senators announced this after reports emerged that the Senate will oppose the present treaty drafted by the United States and the Philippines.

Senate President Jovita Salonga said that to date, the Senate has not received the final draft of the agreement which Foreign Affairs Secretary Raul Manglapus had earlier promised to give to the senators.

Senators Heherson Alvarez and Edgardo Angara have now joined in the call made by Senators John Osmena and Ernesto Herrera for a renegotiation of the treaty.

Senator Leticia Ramos-Shahani, chairman of the Foreign Relations Committee, says meanwhile that the president hersel should lobby in the Senate for the new treaty to be approved. Shahani said the Senate might possibly consider the new bases treaty in the light of the present economic hardship being felt by the country, resulting from the Pinatubo volcanic eruption.

Senator Ernesto Maceda laughed at President Aquino's plea to the people to support the new bases treaty, noting the fact that she has not been able to persuade her own brother-in-law, Senator Agapito Aquino, to support the bases treaty.

It should be noted that Secretary Manglapus also promised he would not sign the new bases treaty until the Senate had scrutinized it.

Aquino, Manglapus To Discuss U.S. Bases Issues

HK2407113691 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 24 Jul 91

[Text] A very important meeting will be undertaken tomorrow by President Aquino with Foreign Secretary Raul Manglapus, to discuss the objections of some senators regarding the military bases.

Manglapus is arriving tonight from the ASEAN Foreign Ministers meeting in Malaysia. Here's Tanny Rodriguez with the details.

[Begin Rodriguez recording] Some members of the Senate appealed to the president to conduct more negotiations on certain aspects of the just concluded military bases agreement, which are allegedly not in the best interests of the country. One of the issues being opposed by the senators is the very low compensation stipulated for the use of Subic Naval Base, which will amount to only $360 million this year and $203 million annually starting in 1992. They are also opposed to the specified duration of 10 years for the stay of American troops at Subic Naval Base.

The president said she will discuss with Manglapus the issues that will clarify the terms contained in the treaty in the face of an open declaration of opposition by the senators. [end recording]

Politicians Comment on Aquino Speech

HK2307073591 Quezon City MALAYA in English 23 Jul 91 p 1

[Compilation of various reactions by Lawmakers to Aquino's 'State of the Nation' speech by Jodeal Cadacio, Cris Larano and Romy Tangbawan]

[Text] Vice President Salvador Laurel: President Aquino admitted for the first time the sorry state of the nation. And she, in effect, said goodbye to us...But she forgot to tell us how she is going to run the government from now up to the end of her term.

Senate President Jovito Salonga: There are some portions with which I disagree; but the general sense is something which I am in agreement. The President must really make unpopular decisions for a Third World country like ours. Masyadong mataas ang expectations ng tao [The expectations of the people are very high] but the realities are very hard. And one reality is that the resources of the government are very limited. (My point of disagreement) is the kind of democracy we have. The democracy we have is not the democracy I would want.

It is still an elitist democracy and not participatory. Speaker Ramon Mitra J. The President's message was deeply personal, and for me, profoundly moving. As I listened to her, I remembered my own despair under Martial Law. Like Ninoy, I felt my life draining away uselessly in the dictator's prison. We who lived through that time owe Ninoy—and the others who died—the duty of safeguarding our liberties and making them meaningful for the masses of our people.

Sen. Neptali Gonzales, Laban ng Demokratikong Pilipino [LDP—Struggle of Philippine Democrat] president: I consider the speech a great political testament. It brought tears to my eyes but made me proud, in a sense, that I have been part of this government, her Cabinet, and the Senate. I suppose this (address) is a fair assessment.

Sen. Teofisto Guingona (LD) [Liberal Party]. The President spoke from the heart and clarified some things. And although she did not spell out the solutions she has for the present problems, I think we can glean from her statement that she will do her best for the remaining months of her term.

Sen. Orlando Mercado (LP); I think the valedictory is too early. She still naQ 10 months to go. The only thing that I disagree on is the matter of foreign debt. I think I heard the voice of (Finance) Secretary (Jesus) Estanislao. I think we have a lot of things to do ahead of us. The Speech was vintage Cory.

Sen. Joseph Estrada (PMP) [Party of the Philippine Masses]; It was a very moving speech, very emotional. But she did not spell out what her government would do for the next 10 months.

Sen. Aquilino Pimentel (PDP-Laban) [Pilipino Democratic Party—Strength of the Nation]. It obviously went well with the audience, although in substance I would still beg to disagree with her defense of the attitude of this goverment toward foreign debt. But she did what she could do considering her own limitation. I would give her credit for her achievements. But there wre no policy statements and this may not be accurate on the leadership we need at this time.

Sen. Ernesto Maceda (LP): I think there is reason to believe she tried her best but I wasn't really good enough. Maganda (ang talumpati) pero hindi pa rin naipaliwanag kung bakit mahigit sa apat na milyon ang nagwe-welga a tkung bakit balikpa rin tayo sa square one tulad noong 1986. [The speech was beautiful but she still failed to explain why more than four million people are on strike and why we are back to square one just like in 1986.]

Sen. John Osmena (Ind.): Although we have policy differences, the bottom line is she did her best and that we have to accept.

Assistant Majority Floor Leader Raul Daza (LP, Samar), Liberal party secretary-general: A steering valedictory, it aptly puts in historical perspective the achievements of the current administration under President Aquino, which are more in strengthening our newly restored democracy and preserving the gains of our economy against both natural and man-made calamities.

Minority Floor Leader Salvador Escudero III (KBL, [New Society Movement] Sorsogon); The speech is the best among the five (State of the Nation Addresses Mrs Aquino hd delivered).

Executive Secretary Franklin Drilon: The President's speech is a good reminder for us that democracy should not be taken for granted. Instead, it should be guarded and defended.

Speaker Pro Tempore Antonio Cuenco (LDP, Cebu); The President has given the full sense and meaning of our times. We may have suffered from great natural and man-made devastations, but the Filipino will survive, endure, and prevail because he has so much greatness in his past and so much to live for in the future. We must take up the challenge to fortify her three-pronged program—restoration of democracy, economic recovery and survival, and people empowerment.

Rep. Rodolfo Albano (KBL, Lsabela); It is like an address of an innocent student unmindful of the realities of the outside world. She did her best in delivering her speech.

Aquino Appoints New Manila Cabinet Officer

HK2207132491 Quezon City MALAYA in English 21 Jul 91 p 2

[By Chit Estella]

[Text] President Aquino yesterday appointed Press Secretary Tomas Gomez III as Cabinet officer for the National Capital Region. [CNCR]

She also designated in a similar capacity Health Secretary Alfredo Bengzon for the Ilocos region, Agrarian Reform Secretary Benjamin Leong, Central Mindanao; Local Governments Secretary Luis Santos, Western Mindanao; and Economic Planning Secretary Cayetano Paderangga for the autonomous region of Muslim Mindanao.

The appointments were made following the recent shakeup in the Cabinet which saw the resignations of Executive Secretary Oscar Orbos and Defense Secretary Fidel Ramos.

Orbos was Cabinet officer for regional development of NCR and Ramos, for Western Mindanao.

All cabinet members are in charge of a certain region in the country. As CORDs [cabinet officers for regional development], they are tasked with articulating a region's concerns in the Cabinet and the Office of the President. They are also supposed to formulate plans of action to be undertaken in the respective regions and bring these up before the President for approval.

Gomez said as CORD for Metro Manila, his first act would be to pay courtesy calls on all Metro Manila mayors and inquire about the problems they would like the Cabinet to pay attention to.

As starters, Gomez said he plans to revive a garbage disposal scheme that could also solve the traffic and housing problems of the metropolis.

Under this scheme, garbage would be treated and made into building blocks that can be used to create new land in Manila Bay.

Saying the process would not cause water pollution, he also assured the use of compacted garbage blocks would not cause a stench in the area.

The plan would also involve the removal of container yards from the inner cities and their transfer to areas near the bay. The transfer of the container yards, in turn, is expected to ease traffic in choke points in Manila such as San Marcelino and Ayala bridge.

Upon removal of the container yards, Gomez said, spaces can be created for socialized housing for the urban poor.

The only problem with the plan, which was already studied but shelved by the Metro Manila Commission, is the huge cost it is expected to entail. But Gomez said the government might decide to pass the project on to the private sector.

The Philippine National Bank, through its president Edgardo Espiritu, has reportedly agreed to undertake a feasibility study on its cost. The project could then be undertaken on a build-operate- transfer basis.

The plan was reportedly welcomed by Manila Mayor Gemiliano Lopez.

Senator Maceda Criticizes Aquino Administration

HK2307111191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 23 Jul 91

[By Restie De Quiros of DZRH Unit No. 8 from the Senate]

[Text] We are here in the session hall of the Senate where Senator Ernesto Maceda is currently delivering his privilege speech.

In his speech, he challenged President Aquino to implement her plans regarding the smooth turn over of her powers to the next leader of the country.

Maceda said that President Aquino should initiate the start of the next administration so history can judge her kindly; as well as help the next government with the national recovery program.

At the beginning of his privilege speech, Maceda pictured the dim situation of the Phiippines led by an incapable leader and unwilling servant. Maceda presented the allegedly real situation of the country such as the 20 percent unemployment rate, double standard of justice, peace and order problems, high inflation rate hike, corruption, lack of political sense, failure of the president and her cabinet to act in unity, failure to overcome the hardships caused by various calamities, and other more.

Because of this, Maceda assured that the people cannot expect any change prior to President Aquino's exit. In this regard, Maceda aske President Aquino to prepare for the smooth turn over of power to make it easier for the next leader to obtain success. As of this time, he still continues to deliver his speech. Let us listen to him,.

[Maceda in progress; in English] There has been resounding failure in the delivery of basic health services. The attention of the Secretary of Health being diverted to the peace commission and the bases negotiation. Mr. President, we need not enumerate all the promises that this administration made and broke. That will be too tedious and shall consume our entire...

[De Quiros interrupts] Friends, that was a part of the eleven-paged privileged speech being delivered by Senator Ernesto Maceda.

Santiago Tops University Polls Again

HK2307113291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 23 Jul 91

[Text] Former Agrarian Reform Secretary Miriam Defensor Santiago has again topped two separate surveys held by the University of Sto. Tomas [UST] and De la Salle University [DLSU]. The results of the presidential surveys were published in the newspaper organs of the two universities—the UST Varsitarian and DLSU's Plaridel newspaper. In the UST survey, Santiago garnered 41.2 percent with the second ranking presidential candidate posting only 7.69 percent. In the DLSU survey, Santiago obtained 35.75 percent while the second ranking candidate had 11.09 percent. Meanwhile, based on the UST and La Salle surveys, it was confirmed that Santiago is the most popular presidential candidate among the students who calls her the queen of popularity polls.

De Villa To Reorganize, Streamline Defense

HK2107023691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Jul 91

[By Fernan Imberga]

[Text] New Defense Secretary Renato de Villa today announced he will implement an extensive reorganization and would streamline the defense department in order that the little remaining budget it has would suffice. In an ambush interview after the turnover ceremony in Camp Aguinaldo, De Villa outrightly said he will remove five of the eight undersecretaries of the

Department of National Defense [DND]. According to De Villa, he will only retain three undersecretaries because the remaining budget is only enough for three. He also said that he will dismiss about 500 DND personnel and employees because of the meager budget. It was learned that the Congress cut the defense intelligence fund by 50 percent. De Villa added that most of the defense undersecretaries are working without pay. The new defense secretary, however, refused to identify the five undersecretaries he will dismiss. De Villa is simultaneously celebrating his 56th birthday and his assumption of the post of defense secretary.

Bomb Explodes at Davao City Bus Terminal

HK2207042991 Manila PHILIPPINE DAILY INQUIRER in English 22 Jul 91 pp 1, 13

[By Carol O. Arguillas and Christine O. Avendano]

[Text] Two persons were injured when a homemade bomb exploded at a bus terminal in Davao City on the eve of nationwide protest actions called by militant labor and other groups.

Twenty minutes later, 35 students were arrested by the Metropolitan District Command in the city during a prayer rally and vigil on Legazpi and Bonifacio streets.

The pillbox-type bomb exploded at the Annil Bus Terminal on Palm Hill Street at 7:10 p.m. Injured were Jim Roy, 12, and Renato Albarote, 23.

Lt. Col. Nestor Estares, Metrodiscom chief, said the explosion was "part of a systematic terror campaign to discourage bus companies from plying their routes" during today's transport strike.

Militant labor and other groups resume their nationwide mass actions today in what they dubbed as a "National Day of Protest" against high fuel prices.

But President Aquino remained unfazed by the plan. "You know me for a long time, kung kay Marcos, hindi ako sumuko, ay bakit naman susuko pa ako dito sa iba [During marcos' time, I have never surrendered, why should I surrender to others]?" she said during her weekly program Magtanong sa Pangulo [Ask the President].

In a bid to stave off the protests, Malacanang has declared today an Ecumenical Day of Prayer nationwide. But only in Metro Manila will there be no classes and office work.

Protest organizers said work stoppages and transport strikes will be staged anew in Bicol and other parts of Visayas and Mindanao starting today. The protests would be sustained at least until Wednesday, they said.

In Metro Manila, multisectoral groups led by the Anti-Poverty Movement will march this afternoon to the House of Representatives at the Batasan complex in Quezon City where the President is due to deliver her last State-of-the-Nation address.

Crispin Beltran, chairman of the Kilusang Mayo Uno [1 May Movement], said they will present their own "State-of-the-People" address containing a package of economic, political and social demands that included fuel price cuts by an average of P1.92 [Philippine pesos]/liter.

The KMU had rejected Malacanang's proposal to reduce fuel prices by P1/liter by mid-August.

Beltran said the rally will call for non-extension of the U.S. bases agreement and a moratorium in the country's foreign debt payments.

The groups will be presenting an alternative economic development plan for the country, anchored on the need for a comprehensive agrarian reform and national industrialization, Beltran said at least 25,000 persons will join the march starting at the Elliptical Circle in Quezon City.

Tens of thousands of workers are also expected to participate in today's strikes in Mindanao and Bicol.

Organizers said the transport and industrial strikes in Mindanao will be mounted in Davao del Sur, Davao del Norte, North Cotabato, Surigao del Sur, Misamis Oriental, Misamis Occidental, Zamboanga del Norte, and Zamboanga del Sur.

Work stoppages and transport strikes will also be held in Albay, Negros Oriental, and Negros Occidental, Cebu, Iloilo and Leyte.

Ms. Aquino said she would not be coerced into endorsing a larger reduction of oil prices.

She asked the people to understand that the government cannot afford to further reduce oil prices because the government needed the additional oil revenues to fund, among other projects, the rehabilitation of Mount Pinatubo victims.

She thanked conservative labor groups and the Iglesia ni Cristo [Church of Christ] for calling off their plans to join today's rally.

The President said she would have wanted to endorse an oil price rollback because it would have been the popular thing to do, especially if she would be seeking reelection.

But because she was not running again, Ms. Aquino said she believed that a rollback was not the best solution for the country's economic ills.

Militant Groups To Continue Strike Action

HK2207110391 Quezon City MALAYA in English 22 Jul 91 pp 1, 9

[By Booma Cruz]

[Text] Militant leftist and rightist groups, rejecting the Malacanang-endorsed average P [Philippine peso] 1 oil-price reduction, will push ahead with their planned protests for an oil-price rollback today.

The Kilusang Mayo Uno [1 May Movement KMU] and the Anti-Poverty Movement [APM] will have their "Pambansang Araw ng Protesta" [National Day of Protest] and deliver their own state-of-the-nation address today at the Batasang Pambansa [national assembly] complex.

KMU chairman Crispin Beltran said at least 50,000 Metro Manila- based workers would join a multisectoral march and rally from the Quezon Memorial Circle to the House of Representatives, where President Aquino will deliver her State-of-the-Nation address.

Leaders of the League of Filipino Students, Student Christian Movement, College Editors Guild and National Union of Students said they would field at least 2,000 students for the protests.

The Confederation for Unity and Advancement of the Rights of Government Employees also said it would send government workers to the streets.

The march-rally is expected to be boosted in the afternoon by a "People's March For Justice" at Plaza Miranda, to be led by Ilocos Norte Vice Governor Rolundo Abadilla.

Abadilla said he had invited Vice President Salvador Laurel to deliver his version of the state-of-the-nation after the march, which would take the place of the aborted Iglesia ni Cristo rally. Also invited were businessman Eduardo Cojuangco Jr., Sen. [Senator] Juan Ponce Enrile, Sen. Josephn Estrada, former Batasan Assemblyman Homo-bono Adaza and former Sen. Eva Estrada Kalaw.

Labor and public transport groups in Cebu, Negros, Panay and in the cities of Tacloban, Iligan and Ozamis announced they would also launch work stoppages, strikes, marches and demonstrations. Political detainees in Fort Bonifacio also issued a statement expressing support for the protests and calling for a rollback of oil prices to pre-December 1990 levels, scrapping of the 9% import levy, adoption of a debt moratorium and rejection of all impositions by the International Monetary Fund and the World Bank.

Singatories included suspected communist leaders Saturnino Ocampo and Carolina Malay-Ocampo, and renegade colonels Reynaldo Cabauatan, Marcelino Calajate and Filemon Gasmin, Maj. Abraham Purugananand Maj. Wilhelm Doromal.

Earlier, the KMU and APM urged the INC [Church of Christ] to reconsider its decision to call off its rally, saying the government announcement was "deceptive."

"While the government claims that the proposed reduction of the Palace trisectoral committee is half of the December 1990 increases, these are actually less than half of the oil-price drops in the world market, as represented in the component of oil prices reserved for the Oil Price Stabilization Fund," Beltran said.

"In addition, the government increased its specific tax on oil products by P1, equivalent to the oil-price reduction," he said.

The KMU and APM began a five-day strike last Thursday, paralyzing at least 65 establishments and some transport routes and mobilizing 80,000 workers.

But the Palace announcement of an oil-price reduction cut short the protest and persuaded the INC to call off its rally for today.

Military Arrests Alleged Dec 1989 Coup Leader

HK2007072091 Quezon City Radyo ng Bayan in Tagalog 0600 GMT 20 Jul 91

[Text] The military reported that a renegade military officer involved in the bloody coup d'etats and the recent bombings in Metro Manila has been arrested. The military said that discharged Lieutenant Hernando Caraig who carries a price of 300,000 pesos for his capture, was arrested yesterday while eating in a restaurant in Manila. Caraig led rebel troops in occupying Air Force headquarters at the height of the bloody coup in December 1989. He was also implicated by those arrested for carrying out the bombings on public places. Caraig is facing charges of rebellion, murder, attempted murder and destruction of government property.

Decline in Renegade Military Faction Reported

HK2207054391 Manila PHILIPPINE DAILY INQUIRER in English 22 Jul 91 p 10

[By Fe B. Zamora]

[Text] Renegade Air Force Lt. Col. Eduardo Kapunan now heads the regional expansion unit for Visayas of the Rebolusyonaryong Alyansang Makabayan (RAM) [Revolutionary Nationalist Alliance], military intelligence reports said.

The report said ex-PC [Philippine Constabulary] Capt. Washington Javier heads the RAM expansion group in Mindanao.

Both groups, however, have not made any significant progress in recruitment, an intelligence officer said.

"They are stagnating," the source said. "They are not progressing in the recruitment."

The military captured during the week ex-Lt. Hernando Caraig whom they linked to the series of bombings in Metro Manila. Caraig has denied the charges.

Intelligence reports said the RAM and the Young Officers Union (YOU0, are runnng out of funds and support. The AFP [Armed Forces of the Philippines] reports said the rebel groups, which took part in the December 1989 putsch have resorted to bank robberies for financial support.

Rebel sources, however, denied the charges, saying the military is using them as a "convenient scape-goat for its failure to apprehend the real bank robbers."

Official Says Communist Capabilities Declining

HK2207061491 Manila MANILA BULLETIN in English 22 Jul 91 pp 1, 23

[By Jerry Lacuarta]

[Text] Camp Olivas, Pampanga—Newly installed Defense Secretary Renato de Villa said yesterday there is a continuous decline in the capability of the Communist Party of the Philippines (CPP and its military arm, the New People's Army (NPA), but he did not rule out the possibility the movement may go beyond 1992.

"It is difficult to say that the CPP-NPA is going to end in 1992 unless there are some options that will succeed," De Villa said in his first out-of-town visit here since he officially assumed the defense post last Saturday.

"Looking at it from a tactical or strategic military option, then we are going to see the armed component of the insurgents going on," he said.

De Villa flew by helicopter to this camp to get a first-hand report on the conditions in the areas damaged by Mt. Pinatubo's eruptions in his capacity as new chairman of the National Disaster Coordinating Council (NDCC).

In a briefing led by Chief Superintendent Pantaleon Dumlao Jr., Central Luzon Philippine National Police (PNP) chief and chairman of the Regional Disaster Coordinating Council (RDCC), De Villa assured the regional body of the NDCC's support in its efforts at minimizing the effects of the volcanic eruptions on the people.

The briefing was also attended by the commanding generals of the military units stationed in Pampanga, Zambales, Tarlac, and Bataan, and the regional directors of various government agencies involved in the rehabilitation works on affected areas.

In an interview with newsmen after the briefing, De Villa said: "I understand there is an order to cease combat operation in the damaged areas so the AFP (Armed Forces of the Philippines) can concentrate on relief and reconstruction efforts.

"We implemented the same policy during the disastrous earthquake on July 16 last year. There are certain areas where the military has really stopped operations," he said.

When asked about the establishment of "zones of peace" in the affected areas, the new DND [Department of National Defense] chief said: "That is another matter. For this means no military presence in the area."

De Villa said the zone of peace policy was adopted in Sagada, Mountain Province, "until it was found that in the area was the NPA headquarters (which is) equivalent to Camp Aguinaldo in Quezon City. We have to re-examine the concept all over again."

He said the instructions of President Aquino did not "cover the cessation of combat." He added that on the Mt. Pinatubo eruptions, "I am still in the process of orientation and familiarization on these matters."

Communist Plans Against Government Outlined

HK2207130791 Manila MANILA BULLETIN in English 20 Jul 91 p 14

[By Norberto B. Gonzales, chairman of the Philippines Socialist Democratic Party]

[Text] On the 22nd anniversary of the Communist Party of the Philippines (CPP), its Executive Committee-Central Committee issued an official report to cadres and members of the party entitled "Lead the Masses, Launch Offensives."

The people should know contents of this report because it outlines the strategic and tactical plans of the CPP-NPA-NDF [New People's Army-National Democratic Front]. These strategic and tactical plans to give the broader context in which the call for a "Welgang Bayan" [nationwide strike] should be seen.

The report is published in the January-March, 1991, issue of Rebolusyon, the quarterly internal theoretical and political organ of the CPP. The issue is Rebolusyon's first since 1977, when its publication was suspended after less than a year of existence.

In summary, the document says the current objective conditions in the country are favorable to the communist movement "to advance boldly and win greater victories." It further claims: "There is a revolutionary flow similar to that of the 1983-86 period."

Thus, the document calls for the launching of two types of offensives: "accelerated armed tactical offensives in the country- side" and "in the legal arena, gigantic mass actions in the National Capital Region and other urban areas."

From the perspective of the CPP Central Committee, the New People's Army "has now the golden opportunity to launch tactical offensives at an accelerated rate in the rural regions."

The general objectives of the two-pronged offensives are: through armed tactical offensives, "to acquire the arms for seizing political power" and, through gigantic mass actions, "to arouse and mobilize the people of the entire country."

The scenario the CPP wishes to see is the ouster or forced resignation of the Aquino government before the end of its tenure and the assumption of power of a militarist or fascist group.

The calls for the mobilization of 100,000 people from the movement's legal forces in Metro Manila, Central Luzon, and Southern Luzon for "a centerpiece mass action around the presidential palace and park," much like the EDSA [Efipanio De Los Santos Avenue] 1986 People Power revolt. Once such a mass of people is assembled, the CPP believes that "hundreds of thousands more would spontaneously join" it, together with "the mass following of the anti-Aquino reactionaries".

"Aquino could then be compelled to make a decision about stepping down or make the worst mistake of her life which is to attack the people. It is also possible for General Ramos to use his designation as deputy commander-in-chief to make a coup under the pretext of counterring a 'coup' or 'anarchy'," the CPP document says.

And it adds, "The legal forces are not deterred by any fear that Aquino, Ramos, or any military group would impose a more draconian rule than what now exists. Everyone knows, of course, that a "draconian ruler" serves the needs of the extreme left movement. As the document itself points out, "When physically attacked by the police and military troops, the rallyists are clearly seen as victims and gain wider sympathy from the people."

Apart from pushing the Aquino government to resign or to be repressive, the projected mass actions and their consequent coup jitters are also calculated to "tie down a large part of the armed forces in the urban areas and trunklines" and allow the NPA to "win victories in the countryside and accumulate armed strength for the ultimate seizure of political power, possibly within the decade."

In tying down a large part of the military in the urban areas, the mass actions will be supported by strikes by the movement's armed city partisans. The document warns, however that the offensive actions by the armed city partisans, "should not be openly linked to any mass action."

This information indicates that the call for "Welgang Bayan" is only a part of a bigger scenario the extreme left movement wants to create. They likewise show how intimately the CPP exercises control over the movement's above-ground or legal forces.

In fact, the document stresses that the party, to ensure that all aspects and requirements of the movement are taken into consideration, must "educate the party cadres and members, and organize them within the NPA and other progressive organizations."

Rebel Propaganda Plans for Presidential Polls

HK2307064791 Manila PHILIPPINES NEWSDAY in English 23 Jul 91 pp 1, 2

[By Dario B. Agnote]

[Text] As in the past, the presidential election in May next year will again be used as a venue by the Communist guerillas to enhance their propaganda warfare in the countryside and consolidate their ranks.

This early, the executive committee of the central committee of the banned Communist Party of the Philippines (CCP) has issued a memorandum to its "underground" and "legal front" forces to prepare for the polls next year.

"The legal democratic forces should be prepared for the electoral struggle at any time," said the CCP directive. "(The forces) can form an electoral alliance and formulate our own program to distinguish themselves from all reactionary parties."

The CCP policy-making body urged its forces to also form an alliance with the "less reactionary parties," but only "on a minimal program." This way, it said, he chances of a significant number of progressive candidates to be elected were big.

"Improving their chances means gaining access to some people, frustrating the fraud and terrorism easily employed by the reactionaries against progressives in a narrow alliance, and maximizing the value and effect of their meager material resources," it said.

The CPP and it "allied" forces—also known as national democrats—have always made it a point to twist the situation to their favor in the past electoral exercises. To them, elections are the best venue to ventilate issues which they deem important for the masses to understand.

"It is the duty of the revolutionary and progressive forces to educate the masses against harboring anyillusions about the elections to continue to raise the masses' political consciousness and independent strength and to expose and oppose fascist repression and counterrevolution."

During the national assembly election in 1978, the revolutionary forces claimed to have raked several gains. Among these gains were: election of progressive candidates to Congress, disclosure of the real state of the country, propagation of the need for genuine chance, acquisition Of a new arena of struggle, establishment of new connections in the course of the campaign, and a greater awareness of the importance of using all arenas of struggle to develop the "nationalist and democratic" consciousness and strength of the people.

The CPP, however, still views the elections as a major but secondary arena of struggle. To them, the pursuits in the armed struggle and in the mass movements occupy a higher place in their order of priorities.

The CPP obviously could not participate in the elections because it is still a banned organization. But while the CPP considers elections as a force, it said it would not stand in the way of its legal "allied" forces. It added that it would not even prevent or discourage its allies from "getting a share" of the government.

"(Elections) give us the opportunity to criticize and oppose reactionary policies, make patriotic and progressive demands, and push major reforms," the document said.

The CPP said it did not have too many illusions about winning the elections. What the CPP was more concerned about, it said, was maximizing the opportunity to propagate the national democratic line to other areas.

The past elections, for instance, had given the CPP the chance to organize and propagate the national democratic line in factories, communities, schools, and places which it could not penetrate in the past.

New members were recruited and new organizations and underground collectives were also formed after the electoral campaigns.

Sources in the underground movement also disclosed that elections could also be used as a venue to generate funds. Rebel sources in Bicol, for instance, confirmed that the congressional elections in 1987 were converted into an income-generating exercise when traditional politicians, aware of the Left's organizational strength and influence in certain areas, agreed to forge an alliance with the national democrats for possible votes.

Army To Withdraw After Clearing NPA in Quezon

HK2207102391 Manila MANILA BULLETIN in English 20 Jul 91 p 8

[By Owen Masaganda]

[Text] Camp Nakar, Lucena City—The Philippine Army will pull out of Quezon after it has cleared the province of New People's Army (NPA) rebels to pave the way for Philippine National Police (PNP) troops.

This decision was reached during a conference of provincial officials led by Gov. Eduardo T. Rodriguez and all municipal mayors. The military was represented by Brig. Gen. Federico Ruiz, Southern Luzon Command chief, and his assistant, Brig. Gen. Rene Cardones.

Rodriguez said many foreign and local businessmen are planning to invest to Quezon.

NPA Loses Support in Northern Mindanao

HK2207080091 Manila MANILA BULLETIN in English 22 Jul 91 p 8

[By Aris R. Ilagan]

[Text] Military officials claimed yesterday that the Communist Party of the Philippines (CPP) and the New People's Army (NPA) rebels in Northern Mindnao are failing in their "protracted war" against the Aquino government as the rebel movement continue losing support in the region.

During a command briefing with Armed Forces chief of staff Gen. Lisandro Abadia, Col. Sergio Belleza, commanding officer of the 401st Infantry Brigade basedin Butuan City, said that the NPA guerrilla forces in Agusan del Norte are presently maintaining an evasive posture against government troopers.

On the other hand, the NPA armed regulars of Surigao del Norte engaged the soldiers in the area in minor skirmishes, which were apparently aimed to deceive and delay the troop offensive in the province.

The Army 401st Infantry Brigade was tasked to neutralize communist rebels in Agusan del Norte, Surigao del Norte, Butuan City and Surigao City.

Magsaysay town and Bingoong City both in Misamis Oriental also fall under its area of responsibility.

Belleza told Abadia that there are 263 armed regulars and 135 political officers of the CPP-provincial party committees based in Agusan del Norte and Surigao del Norte.

For the first six months of this year, "the AFP presently enjoys a 1:1.36 kill ratio against the communist rebels. The firearms exchange ratio stands at 1:2.6 also in favor of the government," said Belleza.

"The current thrust of our on-going campaign under "Oplan Salamangca" [Operation Magic] make insurgents' task more difficult and risky particularly in their political works and organization in the countryside," he said.

Special Army Teams Combat Insurgency

HK2207065991 Manila MANILA BULLETIN in English 22 Jul 91 p 8

[By Jun Velasco]

[Text] Mabini, Pangasinan—Col. Hermogenes Ebdane Jr., Philippine National Police (PNP) director for Pangasinan, said yesterday the 68th Infantry Battalion of the Philippine Army in Pangasinan and his command have selected five New People's Army [NPA]-influenced barangays in this mountainous town to be placed under the Army's Special Operations Team (SOT) program, a "gentle but most effective weapon against insurgency."

The 68th Infantry Battalion based in Alaminos, Pangasinan under Major Juanito Gomez, battalion commander, has dispatched five army platoons (125 officers) to Barangays Villacorta, De Guzman, Barlo, San Pedro, Bacnit and Boling here "to live with the residents and free them from fear and shackles of the NPA."

Captain Alan Purisima, PNP-Pangasinan provincial intelligence officers, said the SOT, a Philippine Army program, and the PNP's community relations program, seek to prevent the disenchanted inhabitants from jumping into the embrace of communism due to government neglect.

He said the alienation of residents from government due to its failure to attend to their basic needs is a principal focus of SOT's campaign.

Through sincere, disciplined and friendly interaction with the residents, the SOT teams are confident of "knocking out" insurgency without firing a shot, Purisima said.

Lts. Jorge Aranas and Basilio Fuertes, both platoon leaders of the 68th battalion, reported to Col. Ebdane of the residents' warm reception to the Army-PNP team that started the SOT program here last July 4.

The other Army officers who called on Ebdane were Lts. Gauioso Baroga and Simplicio Gamboa, also members of the SOT team. They all expressed confidence that in 30 days, the five NPA-influenced barangays under the SOT program will return to normal life.

Islamic Delegation To Examine Mindanao Problems

HK2307071091 Manila MANILA BULLETIN in English 23 Jul 91 pp 1, 13

[By D. Pangandaman]

[Text] Office of Muslim Affairs (OMA) Executive Director Ali Basic M. Lucman said yesterday a delegation fro the Organization of Islamic Countries (OIC) [Islamic Conference Organization-ICO] will arrive in August to look into the problems of Muslim Mindanao.

Lucman told participants in an inter-agency conference in Quezon City that the findings of the mission will probably be presented to the OIC ministerial conference in August in Ankara, Turkey.

The OMA head said "the OIC desires to know the depth of the Philippine government's commitment to implement the Tripoli Agreement of 1976."

Lucman said "this commitment, of course, does not end with the signing of the Tripoli document. It includes the whole range of governments plans, programs, and projects geared towards Muslim development of a total perspective."

He said brochures and other information materials must be prepared on the country's efforts to solve the various problems of Mindanao. "This will answer questions and erase doubts on the resolve of government in this aspect," Lucman said.

The inter-agency conference was attended by representatives of 12 government agencies seeking solutions to the problems of Muslims in Mindanao.

The conference were told of the following measures adopted by the government to help the Muslims:

1. The Department of Education, Culture, and Sports (DECS) literacy campaign among adults in the highly successful "Magbasa Kita [Let's Read]" scheme.

2. Technical assistance from the Department of Agriculture to the Autonomous Region of Muslim Mindanao.

3. Reforestation projects on a massive scale, especially in watersheds.

4. The implementation of the Comprehensive Agrarian Reform Program (CARP).

5. The information drive of the Department of Social Welfare and Development (DSWD) to prevent manpower exploitation through illegal recruitment and prostitution.

6. The appointment of more Muslims in the career service as promised by the Civil Service Commission (CSC).

7. The extension of more&health facilities to help more patients in the region?

Among those who attended the conference were Mustapha Sambolawan, OMA deputy executive director, Agriculture Undersecretary Dante Barbosa, DSWD Assistant Secretary Luvimin A. Custodio, Department of Public Works and Highways-National Capital Region Director Leopoldo R. Manapol, Department of Labor and Employment Director Jovenal Lazaga, Juana R. Galvez of DECS, Rowena M. Dalusong of NEDA [National Economic Development Authority], Angel Q. Yoingco of the Department of Finance, CSC Director Merlyn Canedo and personnel specialist Lorna de Jesus; Virgie Gaylan of the Department of Health, Jigi A. Monsod and Grace A. Marzan of the Department of Tourism, and Lilia SD. Ralores and Rodil F. Ombao of the Department of Env?ronment and Natural Resources.

The conferenc was coordinated by OMA-NCR [National Capital Region] Director Panambulan Mimbisa, Antonio guiling, finance director, and Mauga Sarip, press chief.

Japanese Loans $664 Million for Infrastructure

HK2207064991 Manila BUSINESS WORLD in English 22 Jul 91 pp 1, 6

[By Alex B. Reyes]

[Text] The Philippines and Japan signed 13 loan agreements last week that will mean Y[Yen]87.865 billion, or approximately $664 million, in funds for infrastructure development and environmental protection, the Department of Finance [DoF] announced.

The DoF said the loans are part of the 17th Yen Credit Package of Y120.408 billion committed by the Japanese Government last 26 March 1991.

Of the 13 loan agreements concluded last week, the largest is the Y20.02 billion ($265 million) loan for the Development of Education, Culture and Sports' Elementary Education Project, co-financed by the World Bank Second Elementary Education Project Loan.

The second largest is the Y13.219-billion ($100 million) program loan that will support policy and institutional reforms in the environment and natural resources sector.

This loan is also co-financed by a $224-million loan from the World Bank and its subsidiary the International Development Association.

Since these loans are program loans, they are quick-disbursing and will provide immediate balance of payments support and budgetary assistance.

Government expects the first tranches from the environment loans amounting to about $100 million to boost gross international reserves within 1-2 months.

The third largest loan is the Y10.790 billion for the expansion of the Cebu International Airport;

Other loan agreements signed include:
—Y9.427 billion for the irrigation component of the National Irrigation Administration's Pampanga Delta Development Project;
—Y8.283 billion for Meralco's Rural Development Electrification Project;
- Y5.788 billion for the development of the Batangas port;
—Y1.663 billion for the construction of interchanges along EDSA [Epifanio de los Santos Avenue] by the Department of Public Works and Highways;
—Y4.028 billion to expand and develop the Cavite Export Processing Zone.

The project loans from the Overseas Economic Cooperation Fund are lent at concessional rates, with interest of 2.7% per annum and a maturity of 30 years, inclusive of 10 years grace.

The program loans carry the same interest rate, but have a shorter repayment period of 25 years including 7 years grace.

In contrast, World Bank loans are lent at a rate of 7.75% per annum and carry a maturity of 20 years.

Bank Governor Urges Speedier Financial Reforms

HK2307055491 Manila THE CHRONICLE in English 23 Jul 91 p 1

[By Rene Delos Reyes]

[Text] Government dilly-dallying with financial-sector reforms is jeopardizing its plan to request a massive $1-billion loan package from multilateral creditor for economic recovery, according to Central Bank [CB] Governor Jose L. Cuisia, Jr.

Cuisia said delays in the programs to strengthen the Philippine Deposit Insurance Corp., to reforcus the functions of the Central Bank and to privatize the staet-owned Development Bank of the Philippines have stalled the release of the last $450 million from the $900-million Financial Sector Adjustment LOan (FSAL).

The three measures are among the changes envisioned under the financial-sector structural reform program that is being supported by the World Bank with a $300-million loan.

It is co-financed by the Ovyerseas Economic Cooperation Fund [OECF] of Japan and the Japan Export Import Bank, with loans of $300 million each.

"If we can't even draw what is left of the FSAL, how much more the (planned $1 billion) economic recovery loan?" asked Cuisia.

He said the Philippine government may not be able to implement all the measures under the FSAL agreement, considering that the accord is effective only up to the end of the year.

This prospect raises the question of whether the Philippines would still be able to avail itself of the second credit tranche from the World Bank, whose lead is being followed by the Japan Export Import Bank and the OECF in the FSAL.

A bill had been filed in Congress to strengthen the PDIC with further equily infusions and transfor it into a larger organization that will take away from the Central Bank the function of receivership for failing banks.

Cuisis expressed the hope that Congress would act soon to pass the vital measure, explaining that its enactment is doubly important because it is part of the government commitment to the International Monetary Fund under the 1989 memorandum on economic policy.

Under the FSAL, the government also committed to move toward greater deregulation of the banking industry and to redirect Central Bank functions away from direct credit administration and into purely regulation over the banking and monetary system.

Under Cuisia, the Central Bank has made moves to liberalize some aspects of the banking business, such as the deregulation of bank branching and the entry of foreign banks. But the international donor community feels the CB has yet to make the more substantial changes.

Such changes involve amending the CB charter through congressional action, according to Cuisia, and will take the longest to carry out considering the length of the legislative process.

Cuisia reported that the DBP privatization program is proceeding smoothly, with the bank's managers scheduling the spin-off of part of DBP before the end of the year and the subsequent transfer of that unit into private hands. The program would turn over to private investors about 30

of DBP's shares of stock.

Finance Secretary Jesus Estanislao has floated the plan to request from the group of multilateral financing institutions a jumbo loan package of $800 million to $1 billion similar to the first economic recovery loan granted the government at the start of President Aquino's administration in 1986.

Returning from talks to restructure $1.5 billion in debts to the Paris Club of creditor countries last month, Estanislao had said multilateral creditors were open to the request.

But Cuisia said it was unlikely for the same creditors to extend assitance for an economic recovery plan that is sure to entail at the least the same structural reform programs not implemented under the FSAL.

Thailand

Baker, Asa Discuss IPR, Narcotics, Burma

BK2407020191 Bangkok BANGKOK POST in English 24 Jul 91 p 4

[By Natthaya Chetchotirot in Kuala Lumpur]

[Text] Foreign Minister Asa Sarasin said here yesterday that he is satisfied with his bilateral talks with US Secretary of State James Baker which covered a wide range of issues including Thailand's political development, intellectual property rights [IPR], Burma and narcotic suppression.

Mr Asa also held bilateral talks yesterday with Japanese Foreign Minister Taro Nakayama on the country's long-standing trade deficit with Japan.

Speaking ater his meeting, the Thai Foreign Minister quoted Mr Baker, who arrived in Kuala Lumpur yesterday after his visit to the Middle East, as saying that he was satisfied with Thai progress towards democratisation.

"The United States is satisfied with the performance of the interim adminstration of Anan Panyarachun, especially its efforts towards the return to democracy following the February 23 coup d'etat," Mr Asa quoted Mr Baker as saying.

Both men also discussed current problems regarding intellectual property rights, especially Thailand's listing on the priority watch list under Section 301 of the US Trade Act.

Mr Asa said he told Mr Baker that Thailand was already enforcing its trademark law and was undertaking vigorous suppression.

He told the US Secretry of State that the copyright amendment had already passed its second reading adding that the only remaining issue was pharmaceutical patents.

The only issues which have to be resolved in this area concern compulsory licensing and transitional protection of US pharameuticals, Mr Asa said.

The Thai Foreign Minister said he asked the United States to show some understanding that Thailand cannot give immediate protection.

Thailand is prepared to hold further negotiations, adding that Commerce Minister Amaret Sila-on is expected to hold talks once again with representativs of the United States Trade Representative (USTR).

The minister urged the US to take Thailand off the priority watch-list because of the efforts and progress made in the dispute.

The United States, Mr Asa said, explained that action under Section 301 was the result of internal pressure.

The petition to revoke the country's privileges under the Generalised System of Preferences (GSP) by the AFL-CIO (American Federation of Labour-Congress of Industrial Organisation) was discussed, Foreign Ministry spokesman Sakthip Krairoek said.

Mr Sakthip said Mr Baker expressed concern that Thailand's recent labour law amendment concerning state enterprise unions would limit the rights of Thai workers, especially their right to organise.

Mr Asa explained that the government has not restricted workers's rights but had only restricted their right to strike.

The minister said he hopes that United States would give Thailand a "fair hearing" on this issue, Mr Sakthip added.

With regards to Thailand's wildlife protection record, Mr Asa said this was no longer a problem because the interim government is in the process of amending the law regarding wildlife protection.

Mr Asa also said that government officials were cracking down on the illegal trade.

Regarding Burma, Minister Asa said he reiterated the country's stated position: That Burma should not be isolated from the international community, that Rangoon needs the opportunity to develop and grow and that Thailand was undertaking a policy of "constructive engagement."

Mr Asa said that Mr Baker "understood" the Thai position.

Mr Sakthip said the United States also raised the issue of narcotics suppression and the Burmese role.

The United States, he said, does not have direct contact with the Burmese Governemnt on the matter and asked that Thailand urge the Burmese Government to lend further cooperation against drug trafficking.

The US also wants Thailand to continue urging Rangoon to change politically and accord human rights to its citizens.

During his bilateral talks with Japanese Foreign Minister Nakayama, Mr Sakthip said Burma was also discussed.

He quoted Mr Nakayama as saying that Japan understands Thailand's policy towards Burma and that this policy would enable Rangoon to establish further contact with the international community.

Minster Asa added that Japan should not pressure Burma on the issue of democracy, adding that Japan had a role to play not only in Burma but also in Laos, Vietnam and Cambodia.

The Thai Foreign Minister told Japan it could contribute to the educational and rehabilitation efforts of these countries through the use of its economic capabilities, Mr Sakthip said.

With regard to trade, Minister Asa raised the issue of Thailand's deficit with Japan. He expressed hopes that Japan would further open its markets to Thai goods.

Mr Asa said there were about 800 Japanese firms that had received Board of Investment backing and hoped that the products of these companies would be re-exported to Japan.

During yesterday's meeting between ASEAN Foreign Ministers and their dialogue partners, Minster Asa raised the problem of Vietnamese boat people.

He urged the dialogue partners to support the establishment of an international arrangement centre in Vietnam to be run by the United nations High Commissioner for Refugees (UNHCR).

The setting up of such a centre is being negotiated between the British Government and Vietnam on the basis of the boat people already in Hong Kong who are in need of a destination.

The establishment of such a centre, Minister Asa said, is part of the Comprehensive Plan of Action (CAP) agreed upon by first asylum donor and third countries.

Prime Minister 'Unaware' of Plans for Bush Visit

BK2407012591 Bangkok THE NATION in English 24 Jul 91 p A3

[Text] Prime Minister Anan Panyarachun yesterday said he was unaware of any plans for U.S. President George Bush to visit Thailand.

The premier said he had not received any official information about the visit and would have to wait until Foreign Minister Asa Sarasin returns from Kuala Lumpur to find out if there are any such plans. Asa is attending a meeting with the other ASEAN foreign ministers and dialogue partners in the Malaysian capital.

A highly-placed source said on Monday that Bush was contemplating an official visit to Thailand later this year if there were definite signs that there is going to be a general election.

The source said Bush was planning to visit Australia in November or December and "would stop over in Bangkok if the situation in Thailand improves."

Anan said yesterday he and Bush have known each other for a long time but have had no direct contact over the past 16 years.

The premier, however, said he had recently written a letter to Bush.

The Bush Administration suspended all economic and military assistance to Thailand following the coup in February. It said aid would be resumed only after a democratically-elected government comes to power.

Treasury Reconsiders Real Estate Leased to U.S.

BK2207132191 Bangkok THE NATION in English 20 Jul 91 p A2

[Text] The Treasury Department is discussing with the Foreign Ministry the possibility of terminating a rental contract with the US Embassy for a prime piece of land which is being used for the residence of the US ambassador and embassy staff in Bangkok, a Finance Ministry source said.

The source said the Treasury Department, citing the meagre Bt4,000 a month in rent collected from the embassy, wanted to commercially exploit the 25-rai plot it owns for "more profit".

"The Treasury Department wants the US Embasy to move off the plot but the Foreign Ministry has recommended adjusting the rent to correspond to current market prices," the source said.

The source said the plot of land is currently valued at about Bt3 billion.

The new rental rate would have to be much higher than the current one to reflect a realistic market price, the source said.

According to the source, the Treasury Department and the US Embassy renew the rental contract on a yearly basis.

"There is no special agreement between the Thai and US Governments on the use of the piece of land in question," the source said.

"The proposed relocation would uphold the principle of equal treatment. We even relocate poor people off our land so that we can exploit it to the full," the source said.

The source said the Treasury Department was prepared to help find a new site for the construction of a residence for the US ambassador and embassy staff.

Firm Pays SRV To Release 111 Fishermen

BK2207130191 Bangkok MATICHON in Thai 22 Jul 91 pp 1,2

[Excerpt] Charoen Chanitsara, president of the Fishing Association of Pattani Province, reported to MATICHON that he had obtained a release of 111 Thai fishermen after a bargain with local Vietnamese authorities. He said that he went to Vietnam, accompanied by Samran Soisoemsap, owner of the trawler "Ek Sirirat," to negotiate with Vietnam for the release of fishermen and trawlers from Pattani Province. As a result, the local administration in Cuu Long agreed to release 111 Thai fishermen in exchange for 200,000 baht in expenses.

Charoen said as for the fishing trawlers, Vietnam would keep the sophisticated and high-priced driftnet boats for use in its fishing industry. Charoen said that there are about 400 Thai fishermen detained in various provinces of Vietnam, such as in Binh Hai, Cuu Long, and Hau Giang. Some of the fishermen had been under arrest for as long as 3 years. They are ignored by the Thai Government.

"Those fishermen are suffering badly. I would like to call upon the Thai Government to seek their release through negotiations with Vietnam. Sometimes, it is beyond the capacity of the boat owners to help their crew because they have no money to pay for their release. The government could negotiate to exchange them with the 100 Vietname pirates detained in Songkhla Province. This is an option the Thai Government should try," Charoen said.

Charoen said that he would meet the governor of Pattani on 22 July. He wanted the governor to contact welfare officials in the province to get him some clothes and other forms of assistance to be sent to the fishermen in Vietnam. He would also send a letter to the prime minister and the Foreign Ministry asking them to seriously help the Thai fishermen. [Passage omitted]

GATT Failure or Success Brings Mixed Results

BK2307045591 Bangkok BANGKOK POST in English 23 Jul 91 p 28

[Text] Thailand would be significantly affected by the outcome of the General Agreement on Tariffs and Trade (GATT) Uruguay Round whether United States and European Community subsidies were dismantled or not, Deputy Agriculture Minister At Taolanon said yesterday.

Mr Ajva, who returned from a meeting of the 14-member Cairns Group in Brazil, said key Thai farm exports such as rice, maize, sugar and tapioca products would be affected regardless of the outcome.

If the U.S. and EC could be convinced to cut their massive farm subsidies, Thailand would have more markets for its rice exports but it would also face stiffer competition for sales, he said.

And the country's sugar industry would have to be restructured whether or not sugar subsidies were reduced, he said.

But a positive outcome of the round would be damaging to tapioca exports. If free trade of tapioca products was allowed, the EC could stop importing Thai tapioca products and buy U.S. maize instead.

But if the Uruguay Round ended in failure again, Thailand would not be able to compete in some heavily-protected markets, particularly for rice, he said.

Some proudcuts, such as tapioca, could still be exported.

Mr Ajva said Thailand should speed comparative studies of how different farm products would be affected by the various possible Uruguay Round outcomes.

Cabinet Approves Enactment of Value Added Tax

BK2407012191 Bangkok BANGKOK POST in English 24 Jul 91 p 15

[Text] Cabinet yesterday approved a Finance Ministry proposal to introduce value-added-tax (VAT) through the enactment of a VAT Act.

Under the cabinet-approved VAT bill, the maximum tax rate would be 10 percent, but the rate which initially would be imposed would be 7 percent, Finance Minister Suthi Singsane said.

The government would have the authority to adjust the VAT rate.

Under the system, taxpayers with total annual revenue of less than 600,000 baht would not have to enter the system and they would be subject to only corporate income tax.

Taxpayers with total annual revenue ranging from 600,000 - 1.2 million baht could decide whether to enter the VAT system. If they agreed not to enter the system, they would be subject to a business tax of 1.5 percent, Dr Suthi said.

Taxpayers with total annual revenue higher than 1.2 million baht would have to enter the VAT system, he said.

Dr Suthi said the VAT system would benefit industries, exporters and importers.

"Under the present system, importers will have to pay business tax on a tax base comprising CIF [cost, insurance, freight], import duty and standard profit, but under the VAT the tax base will comprise only CIF and import duty," he said.

Car imports, for example, were currently subject to a standard profit of 26 percent for completely-built-up (CBU) units and 11 percent for completely-knocked-down (CKD) units. But under the VAT system, the standard profits would be omitted.

Expert Notes Strengths, Weaknesses of Economy

BK2407041691 Bangkok Voice of Free Asia in English 1500 GMT 23 Jul 91

[Text] Thailand's economic performance remains the strongest of all developing countries despite the high current account deficit, according to Industrial Finance Corporation of Thailand, or IFCT, chairman and former Bank of Thailand Governor Chawalit Thanachanan.

Although the current account deficit was as high as 220 billion baht, the equivalent of 8-9 percent of the country's gross domestic product, high foreign reserves and a debt-service ratio of only 9.1 percent showed the country's economy was still strong, Mr. Chawalit said.

The foreign exchange reserves and debt-service ratio indicated that Thailand's economy was the strongest of all developing countries, he said.

Mr. Chawalit told the discussion he believed interest rates should fall about 0.5 percent in the next one to three months because of the following: the recent meeting of Group of Seven countries had supported the lowering of interest rates, Thailand's credit extension had slowed down and consumer's purchasing power has increased, helping businesses reduce their dependence on commercial bank loans.

The Bank of Thailand would be unwilling to have interest rates too high because it would reduce the competitiveness of Thailand's exports, he said.

And if the tight money situation became more serious, the central bank would be forced to implement measures to solve it.

He expected that inflation in the second half of this year to be about 5.5 percent, partly because oil prices were stable.

Meanwhile, the Thai stock market was expected to continue to develop strongly, he said.

The stock market's capitalization was only about 30 percent of the country's GDP [Gross Domestic Product]. But he believed investors should take more notice of business fundamentals rather than rumors and technical analysis when considering investments.

Navy Plans Upgrade of Eastern Seaboard Fleet

BK2307061591 Bangkok BANGKOK POST in English 23 Jul 91 p 5

[Article by Surasak Thumcharoen: "Defence Plans for Eastern Seaboard"]

[Text] The development of the Eastern Seaboard Project has prompted the Royal Thai Navy [RTN] to improve its defence plans for sea operations off Laem Chabang and Mab Ta Phut as well as inshore operations toward the interior borderlines.

On April 5, 1988, the Cabinet gave the RTN a major assignment to look after the entire eastern seaboard area for which peacetime strategy planning has been made. The RTN has been required to meet all possible threats to the private-run industrial plants along the coastal strip from Chachoengsao down to Trat.

Three major elements of the RTN—the Royal Fleet, Air and Coastal Defence Command, and Marine Corps—are strategically as well as tactically responsible for the eastern seaboard.

Royal Fleet Commander Adm Surin Thongcharoen says the Royal Fleet needs to make sure that its capabilities and strengths remain at least equal to those of a potential enemy in the region. Given the responsibility for the eastern seaboard, Adm Surin says, the Royal Fleet has been updating itself to today's military technologies and staying constantly versatile in rapid deployment of its ships, aircraft and sea and land-based weapon systems.

Based in Sattahip, the elbow of the eastern seaboard strip, Royal Fleet surface ships and aircraft go afloat and aloft to protect the sea lines of communication (SLOC) from the lower part of the Gulf of Thailand up to Sattahip commercial port, Laem Chabang deep-sea port and Mab Ta Phut underseas pipeline terminal, among other coastal destinations in the entire Gulf. Besides those land-based installations, the Royal Fleet is also responsible for oil rig platforms and fishing trawlers in the Gulf.

"The further from shore, the bigger the Royal Fleet ships are to cover the entire Gulf. Given all possible hostilities which may arise out there in the sea, we need to stay afloat 24 hours even in peace time," Adm Surin says.

Smaller patrol ships run 20 to 30 miles from shore while coastal patrol craft provide the innermost shield of defence along the eastern seaboard. "The Royal Fleet needs additional surface ships and aircraft to fulfill modern defence strategies. An increase in the budget is to be made for us to meet our commitments," Adm Surin remarks.

As part of a modernisation programme, the Royal Fleet is in the process of procuring a class of frigates from China, some with a helipad at the stern. The first of the Chao Phraya-class frigates, the HTMS Chao Phraya, was delivered last month, and following on a six-month-interval basis will be the HTMS Bang Pakong, HTMS Saiburi, HTMS Kraburi, HTMS Naresuan and HTMS Taksin. The new ships will replace the aging PF-103-class frigates such as the HTMS Tapee and HTMS Khrirat.

In the next two years, a heli-carrier—the RTN's first ever—will be delivered from Germany for rapid deployment of sea-based helicopters further out in the Gulf.

Recently procured were Dornier 228 light patrol planes from Germany, and to be procured in the near future are P-3 Orion patrol planes from the United States. The U.S. made and German-made turboprop aircraft are different in size and in other aspects, but they share the anti-submarine warfare (ASW) mission.

Adm Surin notes that the Royal Fleet would purchase jet fighters and attack aircraft as part of its defence plan and self-reliability scheme. It is yet to be seen if the U.S. made A-7 Corsair attack aircraft or even the F/A-18 Hornet figher would probably be considered by the Royal Fleet.

"We should be entirely self-dependent and capable of tackling any trouble as far as it is out there in the sea," the Royal Fleet commander says.

The recent Vietnamese pirate attacks on Thai fishing boats in the Gulf off Pattani and Songkhla provinces led to joint action by forces from the Army, Navy and Air Force. The Army sent its rangers out to sea disguised as trawler crewmen, and the Air Force launched its F-5 Tiger fighers to spot and designate the invading pirates. Whatever happened, it all happened in the Navy's waters.

The Royal Fleet, which has just finished Gulf exercises with the Australian and Singaporean Navies, deploys over 20,000 servicemen and has five surface ship squadrons and one naval air division. The Yarrow-type HTMS Makut Ratchakuman frigate is the Royal Fleet flagship.

The Patrol Squadron includes:

—Prapparapak-class fast attack craft built in Singapore, such as the HTMS Prapparapak, HTMS Hanhaksattru and HTMS Supirin, armed with Israeli-made Gabriel surface-to-surface missiles.

—Chao Phraya-class frigates built in China, armed with French-made, Chinese-modified Exocet surface-to-surface missiles.

(The RTN chose to buy the Chinese frigates not only because of the price—which was less than 2,000 million baht each, compared to 7,000 to 8,000 million baht for a European frigate—but also the integrated shipbuilding technology. The Chao Phraya frigate's structure is Chinese, its engine is German and its missiles are French. "When it comes to technology, the Chinese do not keep it only to themselves. The Chinese shipbuilding and repair technology and even the software on the frigate can be transferred to us over a period of time," Adm Surin says.)

—Ratcharit-class fast attack craft built in Italy, such as the HTMS Ratcharit, HTMS Wittayakom and HTMS Udomdet, armed with French-made Exocet surface-to-surface missiles as well as a variety of other lethal weapons deployed to meet the SLOC (sea lines of communication) defence requirements.

—Chonburi-class fast patrol craft built in Italy, such as the HTMS Chonburi, HTMS Songkhla and HTMS Phuket, armed with 76mm guns and 40-mm guns.

—Statahip-class patrol craft built in Thailand, such as the HTMS Sattahip and HTMS Kalong Yai, providing the inner shield of sea-based defence in the Gulf.

—Rattanakosin-class corvettes built in the U.S. such as the HTMS Rattanakosin and HTMS Sukhothai, cruising around in highly mobile maneuver ability with Harpoon surface-to-surface missiles and Aspide surface-to-air missiles.

Besides many of those classes, the ASW (anti-submarine warfare) Squadron includes the Tachin and Pinkhlao-class frigates and the Kamronsin and Sarasin-class patrol boats.

The Mine Squadron includes Lurssen-type minehunters and minesweepers built in Germany, such as the HTMS Bang Rachan and the HTMS Nong Saray, Latya-class coastal minesweepers built in the U.S. and mine countermeasure support (MCS) ships built in Thailand such as the HTMS Thalang.

The Amphibious and Utility Squadron deploys Ang Thong-class tank landing ships built in the U.S. and Sichang-class tank landing ships built in Thailand, Matapone-class medium landing ships built in the US and Tonggaeo-class utility landing craft built in Thailand.

The Riverine Squadron deploys river-scurrying, marines-manned patrol and assault boats in the Mekong River between Thailand and Laos and in other rivers in the interior of the country.

Based at U-taphao, the Naval Air Division deploys a variety of turboprop aircraft, such as the Fokker F-27 Maritime Enforce, Grumman S-2F Tracker for ASW missions, Canadair CL-215 for search and rescue operations and Dornier 228 light patrol planes as well as the UH-1H utility helicopter and the Bell-212 and Bell-214 ST transport helicopter.

In terms of strategic readiness, a fleet of submarines is necessary to patrol undersea and support the surface ships' naval operations. "It is a necessity here (for the Royal Fleet) to procure some submarines which can cruise undersea far from shore. Strategically, if we had a fleet of submarines, the enemy would think twice and hard before they ever decide to do anything against us," Adm Surin says.

The Royal Fleet commander says he needs at least three submarines for which a docking facility will be built and a maintenance crew will be set up. In the future, the Royal Fleet would procure and deploy some in the Gulf. In the meantime, a group of young Navy officers is learning how to operate submarines in the Netherlands.

Royal Fleet Deputy Chief-of-staff Rear-Adm Banchoet Phancharoen says submarine procurement have been suspended to make way for surface ships and other weapon systems which are given top priorities on the arms purchase list. "Strategically and yet tactically speaking, we should have some submarines. The priority for the submarines isn't very low but we always have had to keep our surface forces in balance with those of the potential enemy. Submarines just have to wait, though," Rear-Adm Banchoet points out.

China has offered to provide the Royal Fleet with Romeo-class submarines at a friendship price. The RTN is still considering the offer.

The Royal Fleet needs a good budget to procure not only submarines but also more surface ships and weapon systems. Naturally, monetary decisions are not made by the Royal Fleet.

Rice Exporter Discusses Problem of Sales to Iraq

BK2307131391 Bangkok NAEO NA in Thai 23 Jul 91 p 7

[Text] Prachai Liaophairat, president of the Thanaphon Rice Exporters Group, stated during an interview on 22 July that the long-term deal concluded with Iraq for more than 600,000 tons of Thai rice will greatly benefit Thailand's rice trading. He believed the government would help solve problems which might obstruct the deal.

A trade delegation led by Chare Chutharattanakun, director general of the Foreign Trade Department, accompanied by a group of rice exporters, went to Iraq to negotiate a rice deal, and as a result they obtained a contract from Iraq to buy 45,000 tons of rice from Thailand, with the account to be paid in cash. Iraq also agreed in principle to import from Thailand another 600,000 tons of rice on a long-term basis, with 200,000 tons to be shipped this year, and 400,000 tons in 1992. Eight Thai rice export companies will supply the goods. However, it was reported that Iraq would have enough cash only to pay for the first 45,000 tons, and not for the rest, because all its assets are frozen by the United Nations and the world powers following its defeat in the Persian Gulf War.

Prachai said that the sale of such a large amount of rice would benefit Thai rice trading, and will especially help stabilize the price throughout the next year. He therefore believed that the government would help with the deal, as it will benefit everyone, especially the farmers.

"The Foreign Ministry reportedly started lobbying already. It is believed the Thai ambassador in the United States would make contacts and ask the U.S. Government to unfreeze Iraqi assets, especially its cash at banks around the world, in the United States, the UK, and Europe, to make it possible for Iraq to use the money to buy Thai rice. The Foreign Ministry will also invite the U.S. ambassador to Thailand for a discussion," he said.

Prachai said that although the price of rice is good at present, the government should still continue with its price intervention scheme of buying paddy to shore up prices, especially at the beginning of the production season. He noted that the prices of rice in the world market are not controlled by marketing mechanisms, but are lower, because big countries, especially the United States and the EC, are still giving subsidies to their rice exporters. He believes the rice price would shoot up if there were no more subsidies.

Minister Defends Retention of Powers by NPKC

BK2407025191 Bangkok BANGKOK POST in English 24 Jul 91 pp 1,3

[Text] Deputy Prime Minister Michai Ruchupan yesterday defended the National Peace Keeping Council's [NPKC] retention of summary power until the formation of a post-election Parliament.

Mr Michai, chairman of the Constitution-Drafting Committee which has preserved Article 27 of the Interim Constitution in the provisional clauses of a draft Constitution to enable the NPKC to exercise sweeping power until after the formation of a post-election government and Parliament, said all systems would continue as usual because the NPKC would not interfere in the affairs of elected MPs.

"It is necessary for the NPKC to retain power as stipulated in Article 27 during a period of transition. It's not damaging to adopt such articles as a tool for the NPKC to handle emergencies. If the NPKC had wanted to exert its power through Article 27, it would have done so right from the beginning," he said.

Article 27 empowers either NPKC chairman Gen Sunthon Khongsomphong or Prime Minister Anan Panyarachun to take whatever action they deem necessary to prevent or stop activities which undermine national security or administration, threaten the monarchy or national economy, or disrupt public order or morality.

Mr Michai said a general election could not be put off beyond the 120-day time frame (following the promulgation of a new Constitution).

The Constitution Drafting Committee has also provided that the NPKC be empowered to nominate senators to sit on a Constitutional Committee yet to be formed.

Other members of the Constitution Committee are to be nominated by the National Legislative Assembly (NLA).

Mr Michai assured that the draft Constitution would definitely be submitted to the NLA within August 15, but whether a general election could be held by the end of this year would depend on the NLA.

He said it was not the responsibility of the Constitution Drafting Committee to schedule the next election.

The Constitutional Committee would oversee the general election and try to prevent vote buying, Mr Michai said.

He added that elected MPs could be dismissed even without court orders if they were found to have bought votes.

Meanwhile, Prime Minister Anan Panyarachun said the government had no authority to decide whether Article 27 should be retained in the new Constitution's provisional clauses.

The issue would be decided by the National Legislative Assembly, he said.

Asked if it was necessary to retain the summary power, Mr Anan said retaining such power and actually using it were two different things.

He added that neither the government nor the NPKC had so far resorted to using it.

The prime minister said Article 27 would eventually become ineffective with the formation of a post-election government.

Sunthon Urges Somchai To Support Chawalit Party

BK2307055991 Bangkok BANGKOK POST in English 23 Jul 91 p 1

[Text] National Peace Keeping Council chairman Gen Sunthon Khongsomphong confirmed yesterday he had personally persuaded Chonburi's influential tambon headman Somchai Khunplum to support the New Aspiration Party of ex-military chief Gen Chawalit Yongchaiyut.

Mr Somchai, better known as "Kamnan Po," disclosed last week he had been approached by the general to throw his support behind Gen Chawalit's party.

Kamnan Po, who is currently the mayor of the Bang Saen beach resort municipality, was a key backer of the Social Action Party [SAP], in Chonburi in past elections.

A widely-known figure in Chonburi and the eastern seaboard, his home was raided by a team of heavily-armed police commandos during last years police crackdown on mafia-type figures in the province.

Kamnan Po said last week he might run in the next general election.

He also said he had been approached by former SAP MP Somphong Amonwiwat to join the newly-formed Sammakkhi Tham Party which announced support for Army Commander-in-Chief Gen Suchinda Khraprayun to become prime minister.

Gen Sunthon yesterday described Kamnan Po as "a good and widely-respected man who has never caused anybody any problem."

Vietnam

Radio Comments on Photograph of U.S. MIAs

BK2307120391 Hanoi Voice of Vietnam in English 1000 GMT 23 Jul 91

[Station commentary]

[Text] Controversy has been raised by the U.S. press around a photograph showing three American pilots missing in the Indochinese war said to be alive. Our radio gives the following views on the issue:

The photograph showing three American pilots missing in the Indochina war is being much publicized in the United States, causing controversy among the press on the fate of these American servicemen. Some say that they are still alive. The producer of this photograph, still unidentified, affirmed that those servicemen are still alive and are being detained by the Vietnamese side.

These opinions force us to go back to files on this issue. According to files given to Hanoi by Washington, Air Force Major Albro Lundy and Navy Lieutenant Larry Stevens were shot down over Laos in 1966 and 1969 and had been listed as killed in action. Air Force Colonel John Robertson identified by relatives in the United States as the third man in the photograph was killed when his F4C crashed in Hai Hung Province in North Vietnam on September 16, 1966. A joint Vietnamese-American search in February and March last year determined that Robertson had been killed and his remains had mostly been destroyed in the crash. Some of his remains collected at the place where his aircraft crashed were returned to the United States October 1 last year. Meanwhile, Robertson's co-pilot Robert Buchanan had parachuted to the ground and had been captured and later released to the United States.

Evidently, the news about the three American pilots shown in the photograph much publicized in the United States saying that they are still alive is groundless.

Vietnam has reiterated that all American prisoners of war captured in the Vietnam war were returned to the U.S. Government after the Paris Agreement on Vietnam. At present, some figures in the American political circles have agreed with these conclusions made by Vietnam.

In its July 21 evening broadcast, the Voice of America quoted Congressman Stephen Solarz as affirming that the photograph is faked. He also said that those pilots shot down either in Vietnam or Laos are no longer alive. Mr. Solarz drew American public attention on the fact that the photograph made public last week was just an attempt of the opportunists who were misusing the worriness and sorrow of American personnel's families.

In his visit to Vietnam in May this year, American Senator John Kerry said that he did not believe the opinion saying the Vietnamese Government still detains American servicemen from the Vietnam war.

Those are crystal facts. As this is a humanitarian question, Vietnam is ready to cooperate with the United States to make clear the matter relating to that photograph. Vietnam urges the United States to ensure that whoever made public the photograph cooperate with the United States and the Vietnamese Government to clear up the question.

As pointed out by a letter sent to the U.S. by the Vietnamese Foreign Ministry on July 20, if they refuse to cooperate in the investigation of this, it would be clear evidence of their money-making intention in producing the faked photograph and should be punished and condemned before public opinion for intentional prolongation of the MIA families' sufferings.

Though in the process of settling the MIA question, there has been many ill-intentioned news reports about Vietnam, Vietnam still persists in its effort to positively solve the issue. At present, Vietnam is carrying out joint searches with the United States for Americans missing in the Vietnam war. So far, Vietnam has on 34 occasions returned to the U.S. 452 sets of remains.

Japanese MP Interviewed on Bilateral Cooperation

BK2207142191 Hanoi Voice of Vietnam in English 1000 GMT 22 Jul 91

[Text] A delegation of Japanese parliamentarians headed by Mr. Sakurauchi Yoshio, speaker of the lower house of Japan, has paid a visit to Vietnam at the invitation of the External Relations Committee of the Vietnamese National Assembly. In an interview with a correspondent of the newspaper SAIGON [name of paper as heard] on his visit, Mr. Sakurauchi Yoshio said he was received by the new leadership of Vietnam. After the Seventh National Congress of the Communist Party of Vietnam, there have been good orientations in the Vietnamese policy and there would be favorable conditions for cooperation between Japan and Vietnam.

To prove Vietnamese-Japanese relations in the past as well as in future, Mr. Sakurauchi Yoshio said that the Japanese foreign minister has visited Vietnam and now a group of Japanese parliamentarians is on a visit to Vietnam. This shows good development of relations between the two countries. He also said that the visit would help Japanese MP's and other circles in Japan know more about Vietnam and create favorable conditions for the cooperation between the two countries. From now on, Mr. Sakurauchi Yoshio said, the relations between Vietnam and Japan will be further developed. World public opinion on Vietnam at this time is favorable. The four Cambodian factions sat together to seek a peaceful solution to the Cambodian issue. This progress was made with Vietnam's contribution. Meanwhile, the world public pays much attention to the Sino-Vietnamese relations. Japan assesses that Sino-Vietnamese relations are changing for the better.

Mr. Sakurauchi Yoshio said he will visit Cambodia after concluding his visit to Vietnam. He said that his country pays much attention to Cambodia because an early peaceful solution to the Cambodian issue will create favorable conditions for regional cooperation. United Nations activities in Cambodia are getting much progress. Like Vietnam, Japan will do all it can to make contributions to a lasting peace in Cambodia. Japan is following with keen interest the Beijing meeting of the four Cambodian factions.

Mr. Sakurauchi Yoshio expressed his elation at the drastic changes in Ho Chi Minh City as compared with his last visit to the city three years ago. He said: The city is bustling and there are many newly constructed buildings. This shows that the people are enthusiastic and doing their business well.

Ambassador Discusses Cooperation With France

BK2307141191 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 23 Jul 91

[Speech by Claude-Marie Blanchemaison, French ambassador to Vietnam, to mark France's National Day; date and place not given—speech given in French and simultaneously translated into Vietnamese]

[Summary] "Dear Friends,"

We have known each other for more than two years and this is the third occasion I have had a chance to talk to you on France's National Day through a Vietnam television program.

Two years ago, we commemorated the 200th anniversary of the destruction of the Bastille jail, 14 July 1789, and the day has become our national day.

The world has been changing rapidly in Europe as well as in Asia. For its part, France has contributed positively to the construction process in Europe and hopes to create favorable conditions for developments between Europe and Southeast Asia.

In the past few months, Vietnam has normalized its relations with the EC. This will pave the way for new cooperation in all fields. As a member of the UN Security Council and cochairmen of the Paris International Conference on Cambodia, France has positively paid attention to the regional peace, of course, with Vietnam's cooperation.

As you all know, in the past months, France has intensified its efforts to create favorable conditions for normalization between Vietnam and the IMF to help Vietnam assimilate more quickly into the international economy.

Cooperation between our two countries has been developing in every field including culture, art, music, film, radio, television, science, and economy. Many French companies have actively worked in the Vietnamese market.

The number of French organizations visiting Vietnam this year shows the increase of our cooperative relations. I would like to add that the volume of Vietnamese officials and students going to France has increased in the same manner.

At present, there are Vietnamese taking admission tests to be trained in France in different specialized areas: Health, engineering, technology, administration, and management.

Sometimes, we still have difficulty with the language barrier, but I hope that by the beginning of next year, with the opening of a French Culture Center in Hanoi, the French teaching programs will be more developed.

Lastly, as French ambassador in Vietnam, I hope to contribute practically to your economic development and I suggest that a French-Vietnamese center in Hanoi for management training for Vietnamese cadres be established soon. The cooperative development between France and Vietnam, and between Europe and Southeast Asia is very important for the future of better economic development, justice, and generosity, especially in the period when the world is changing in a disorganized manner.

Hun Sen Denies BBC Report on Army Proposal

BK2307154991 Hanoi VNA in English 1512 GMT 23 Jul 91

[Text] Hanoi VNA July 23—Hun Sen, chairman of the Council of Ministers of the State of Cambodia, has "categorically rejected" a BBC report that at the meeting in Beijing chairman Hun Sen had proposed that Phnom Penh should keep part of its Army to prevent the return of the Polpotists. The BBC report also specified that Hun Sen proposed the retention of 30 per cent of the State of Cambodia Army.

In a press release issued on the morning of July 23, the spokesman of Chairman Hun Sen affirmed that neither he nor any of his assistants had made such a proposal.

The spokesman said: "At the Jakarta meeting from June 2 to June 6, 1991 and at the meeting in Beijing on July 16 and 17, 1991, in his proposed amendment to the agreement of November 26, 1990, Chairman Hun Sen and other members of his delegation suggested that the whole Army should be maintained pending the general elections according to the modalities for the implementation of the on-the-spot ceasefire, the regroupment of the armed forces at their respective positions, each position holding from 100 to 300 men, the weapons and equipment be kept inside these positions and must not be taken out. To facilitate an effective control, all the parties must report to the United Nations their positions, their troop strength, and their armaments in each position. As for a final solution to the military question, only the government issued from the general elections has the power to decide".

Cambodian Political Officers Visit 15-22 Jul

BK2207151591 Hanoi VNA in English 1420 GMT 22 Jul 91

[Text] Hanoi VNA July 22—Under an agreement between the general political departments of the Vietnamese and Cambodian People's Armies, a delegation of the Propaganda and Training Department of the Cambodian Army led by Colonel Neangfat, head of the department, paid a working visit to Vietnam from July 15-22.

The delegation held working sessions with a delegation of Vietnamese Army's Propaganda and Training Department led by Major- General Nguyen Van Tha, head of the department, and with political officers of the VPA [Vietnam People's Army] at local levels.

It was received by Senior Lieutenant-General Dang Vu Hiep, deputy head of the General Political Department of the VPA.

Egyptian Envoy Hosts Ministers on National Day

BK2307153891 Hanoi VNA in English 1515 GMT 23 Jul 91

[Text] VNA July 23—The 39th National Day of the Arab Republic of Egypt was marked here this evening with a reception given by Ambassador Mustafa Hasan Abu-Sunayf.

Among his Vietnamese guests were Phan Hien, minister of justice, and Nguyen Dy Nien, deputy foreign minister.

Members of diplomatic corps here were also on hand.

Cuban Envoy Presents Awards to Friendship Group

BK2307155791 Hanoi VNA in English 1513 GMT 23 Jul 91

[Text] Hanoi VNA July 23—Accredited by the Cuban Council of State, Cuban Ambassador Armando Saucedo Yero today presented the Friendship Order to the Vietnam-Cuba Friendship Association and the Friendship Medal to various chapters of the association.

Speaking on this occasion, Ambassador Armando Saucedo Yero highly valued the activities of the Vietnam-Cuba Friendship Association and its chapters for the consolidation and development of the friendship, cooperation and close solidarity between Vietnam and Cuba.

Directive on Implementing Party Resolutions

BK2407124391 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 24 Jul 91

[From Press Review Program]

[Text] All daily papers published in Hanoi carry a directive of the Central Committee Secretariat of the Communist Party of Vietnam [CPV] with instruction on the implementation of the resolutions of the seventh national party congress and on the preparation at localities for the second-round party congresses.

The directive of the CPV Secretariat points out clearly that in order to quickly put the seventh national party congress' resolutions into action, the party committees need to organize sessions to study the resolutions in the entire party and army units. They also have to organize movements for the implementation of the resolutions; making cadres, party members, and people correctly realize the congress' viewpoints, targets, and duties in the 1991-1995 period; making them realize the advantages and difficulties of the situation; creatively implementing the congress's resolutions into their local and sector situation; overcoming incorrect viewpoints; criticizing the opposite, and sabotaging the divisive standpoints and opinions of enemies and bad elements; making cadres and party members have correct viewpoints on organization and personnel of party committees, on the democratic way of working; criticizing the signals of the unhealthy; observing the correct ideologies in the election of the executive members of the party committee of provinces, districts, grass-root organizations, and so forth at the second round party congresses; and confirming concrete activity programs to create mass revolutionary movements to change the situation greatly.

Communique on 22 Jul Council of State Session

BK2307130991 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Jul 91

[Communique from Council of State on its 22 July session]

[Text] The Council of State met on 22 July 1991 under the direction of Chairman Vo Chi Cong.

1. The Council of State reviewed the preparations for the ninth session of the eighth National Assembly. The Council of State warmly praised voters in various localities who, in their meetings with the National Assembly delegates, have displayed a high sense of responsibility by contributing concrete opinions to those issues to be discussed by the upcoming session of the National Assembly.

The Council of State realized that the ninth session of the National Assembly would be of great significance because it will contribute to developing the results of the seventh national party congress. The National Assembly will give its opinion about the draft amendments to the 1980 Constitution and will decide many other issues to institutionalize the resolution of the party congress and continue accelerating the comprehensive renovation undertaking and the task of building and defending the socialist fatherland of Vietnam.

The Council of State requested the Council of Ministers and organs of the National Assembly to satisfactorily perfect the various documents for submission to the National Assembly.

2. After hearing a report by the Council of Ministers recommending a number of amendments to the business and special consumption taxtables, and an investigative report by the National Assembly Economic, Planning, and Budget Committee, the Council of State agreed with the necessity of these amendments because they would help eliminate those irrational points in the taxtables, contribute to enabling production to resolve its difficult problems in accordance with current business practices, and secure sufficient sources of revenues for the state budget.

The Council of State entrusted the Council of Ministers and the National Assembly Economic, Planning, and Budget Committee with the task of perfecting these draft amendments for consideration by the Council of State at its next meeting.

3. On the recommendation of the chairman of the Council of Ministers, the Council of State decided to appoint a number of our country's ambassadors to some foreign countries.

Update on Agenda for Ninth National Assembly

BK2307123191 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Jul 91

[Text] The Office of the National Assembly and the Council of State held a news conference on 23 July, to introduce the agenda of the ninth session of the eighth National Assembly.

Comrade Vu Mao, head of the office of the National Assembly and the Council of State and comrade Phan Quang, member of the National Assembly Secretariat told newsmen that the ninth session of the eighth National Assembly will be held from 27 July-12 August with the agenda as follows:

—To pass laws on forest preservation, popularization of Level I education; protection, care for, and education of children; and amendments to some points in the criminal code.

—To opine on some draft bills: Amendments to the 1980 Constitution, on the use of agricultural land and income from the land, and to solicit the people's views before submitting the bills to the National Assembly for approval at the year-end session.

—To hear a report on the implementation of the socioeconomic tasks during the first half of 1991, and on some pressing socioeconomic problems in the second half of the year.

—To hear a report on our state's foreign affairs, and reports of the Supreme People's Court and the chief procurator for the first half of 1991; and

—To consider and decide some other important issues.

At this session, the National Assembly will consider and appoint a number of members of the Council of Ministers.

The new General Secretary of the Communist Party of Vietnam [CPV] Central Committee will deliver an important speech at this National Assembly session.

Voters Voice Recommendations to Deputies

BK2307142091 Hanoi Voice of Vietnam in English 1000 GMT 23 Jul 91

[Text] Voters in different localities have asked their representatives to forward to the coming session of the National Assembly their recommendations on the present socioeconomic situation.

In Hanoi, voters said that the present panel code should be amended to suit the struggle against crimes. In Ho Chi Minh City, voters said the Constitution should be revised in such a way to ensure a more progressive state institution and firmer state control through law enforcement.

Discussion on Prospects of Economic Development

BK2207130591 Hanoi Voice of Vietnam in English 1000 GMT 18 Jul 91

[Feature: "Vietnam's Economy"]

[Text] Dr. Nguyen Xuan Oanh, a senior Vietnamese economist, attended a Vietnam-USA conference held by nongovernmental organizations in the United States. He also attended some other seminars on economic cooperation between the United States and Vietnam. He had contacts with and met the press circles in Washington to introduce them to the renovation process in Vietnam and prospects for Vietnam's economy.

It is to recall that before 1975, Dr. Nguyen Xuan Oanh was a reputed expert on the economy of the old regime in Saigon, now Ho Chi Minh City. During those contacts Dr. Nguyen Xuan Oanh briefed the American friends about economic development in Vietnam. He said: All efforts made by Vietnam in boosting export of oil, rice, maritime products, and light industrial products have been successful. We have so far exported from 40 to 60 million shirts and other garments, more than 1 million tonnes of rice, and nearly 4 million tonnes of crude oil. This is considered a good sign. However, we are trying to better our work.

Dr. Nguyen Xuan Oanh explained today for those who are interested in oil exploration and exploitation that by 1986 Vietnam had undertaken joint ventures in oil exploitation with the Soviet Union only. But since 1986, Vietnam has signed contracts with 10 Western companies—such as British Petroleum, and Total of France—in oil exploitation, and activities have been rather successful. So, we can say that oil prospecting in Vietnam has been internationalized. Of late, the U.S. Government has allowed some American firms to come to Vietnam to study possibilities of oil prospecting. Preparations have been made and they are now waiting for permission to start their business in Vietnam. So, the pending question now rests with the U.S. side.

Dr. Nguyen Xuan Oanh also made it known that Vietnam needs an investment capital of $4-5 billion a year. Therefore, he took the opportunity on this trip to attend annual conferences of the World Bank and the International Monetary Fund to seek their assistance, especially to ask them to persuade the U.S. to lift its embargo against Vietnam. Talking about the economic model in Vietnam, Dr. Nguyen Xuan Oanh said: I am aware that there will be drastic changes in Vietnam completely different from other places. That is why no economic model is suitable for Vietnam. No suit of other people can fit us, so we have to make our own suit that is a fully Vietnamese-style model. Here, I would like to recall the saying "Rome is not built in a day." But it is certain that the Vietnamese are trying to make full use of the experience in economic construction and management of both socialist and capitalist countries to build their country more beautiful and prosperous.

Drought Delays Autumn Rice Planting in North

BK2407011891 Hong Kong AFP in English 0441 GMT 23 Jul 91

[Text] Hanoi, July 22 (AFP)—Autumn rice planting in northern Vietnam has been delayed because of drought, the daily HANOI MOI newspaper said Monday.

The delay comes on top of poor winter-spring harvests earlier this year.

The paper said only 766,000 hectares (1.9 million acres)—about 58.9 percent of what was planned—had been planted.

By contrast, in the south where irrigation is better, the cultivated area was about 18.5 percent above levels for the same period last year, said the paper.

In Vietnam as a whole, 1.157 million hectares (2.8 million acres) of autumn planting had been completed by mid-July, 43 percent of the planned programme.

The Ministry of Agriculture has called on provinces in the north to try to complete planting during July.

The paper also referred to the damage caused to rice crops by insects. Hanoi has not been able to buy the insecticides it needs to combat pests because of the country's lack of hard currency.

Population, Family Planning Program Discussed

BK2307113191 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Jul 91

[Interview with Comrade Nguyen Luc, deputy head of the National Committee for Population and Family Planning, by unidentified VNA correspondent—recorded; date not given]

[Summary From Poor Reception] [Correspondent] Dear comrade, population growth is an issue of prime concern to every country at present. On the occasion of World Population Day, would you please elaborate on the significance of the population task?

[Nguyen Luc] Population growth is indeed a very important issue because the world population is now about 5 billion. To ensure a bountiful and happy life for such a huge population is not an easy task. As a result, countries in the world are striving to reduce population growth while accelerating economic development to improve the daily lives of their people.

[Correspondent] Would you please tell us about the population situation in Vietnam?

[Nguyen Luc] Vietnam is one of the countries in the Asia-Pacific region that has a relatively high population growth rate—its annual rate of increase is about 2.2 percent. This is an unacceptable population growth rate given the slow pace of economic development in our country. It is noteworthy that other countries in the region can maintain their population growth at 1.8 percent while their per capita income is about $800. As a result, Vietnam should strive to reduce its population growth rate in order to concentrate on developing its economy and improving the people's standard of living.

[Correspondent] What measures has the National Committee for Population and Family Planning taken to reduce population growth?

[Nguyen Luc] Since last year, we have mobilized all mass organizations and officials concerned at the central and local levels to participate in a campaign to motivate the people to actively implement the population and family planning program. We have extensively explained to the people and provided them with information on the necessity to reduce our population growth, thus encouraging them to strictly implement the family planning program. I can say that we have scored remarkable initial achievements in this task. Localities with a high rate of population increase have made progress in reducing the population growth rate. Besides, we have sought assistance and aid from international organizations to finance and accelerate this program, especially in the 1991-95 five-year period.

[Correspondent] Some people said that our policy on the population and family planning program is inconsistent. What is your comment in this regard?

[Nguyen Luc] I think that we had some shortcomings in implementing our policy on population and family planning in the past, especially during the 80's when our economic management relied chiefly on the state subsidy system. Now that we have shifted to the market-oriented economy, things are different. With this new economic management mechanism, all potentials of our country will be exploited to develop the multicomponent production force and to accelerate the market-oriented economy, thus creating favorable conditions for other domains and tasks including the implementation of the population and family planning program. I can say that many localities have scored initial results in implementing this program, thus the prospect for this task is encouraging.

[Correspondent] Thank you very much, comrade.

Conference on Nongovernmental Aid in Dong Thap

BK2307071191 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 15 Jul 91

[Text] A conference on nongovernmental aid to 21 southern provinces and cities was held in Dong Thap Province from 13 to 14 July. Among the participants were Comrade Nguyen Thi Binh, chairman of the National Assembly Foreign Relations Committee and president of the Vietnam Union of Peace, Solidarity, and Friendship Organizations; cadres and specialists of the People's Aid Coordinating Committee [PACOM]; and representatives of the people's committees and the Union of Peace, Solidarity, and Friendship Associations of southern provinces and cities.

Comrade Nguyen Thi Binh presided over the conference and introduced the contents of the 28 March 1991 Decision 80-CT of the chairman of the Council of Ministers on promulgating regulations concerning the aid relations with nongovernmental organizations.

The conference heard a PACOM representative report on nongovernmental aid since 1989, on suggestions and exchanges of experience among various provinces and cities on broadening multidirectional exchanges of information, work methods, mobilizing nongovernmental organizations, project planning, and the use of money and goods received as aid in accordance with set regulations to ensure the highest possible results.

Delegates proposed that PACOM open a representative office in the south at an early date to aid and create favorable conditions for southern provinces and cities in formulating plans and procedures for receiving aid. They also suggested that from now on those provinces that have worked out aid-request plans should forward them to PACOM only, not to several organizations at the same time as before.

Conference on Army's Economic Building Held

BK2207115591 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 20 Jul 91

[Text] The Ministry of National Defense held a conference from 18 to 20 July to review soldiers' economic work in the five-year period from 1986 to 1990 and to set forth orientations for the Army's production and economic building for the 1991-1995 period.

Over the past five years, production units in the entire Army have remitted nearly 137 billion dong to the state budget, have established a 4,700-hectare rubber tree area in the Central Highlands, have built a forestry zone in the Long Xuyen quadrangle, have grown almost 2,000 hectares of cajuput, and have developed a number of state farms in the Central Highlands and eastern Nam Bo. The Army has also effectively participated in the construction of some major projects of the state. In addition, Army production and economic building units have made important contributions to the maintenance of public order, security, socioeconomic development in various localities, and have helped in the process of labor and population redistribution.

Participants at the conference contributed numerous ideas concerning the question of soldiers' economic work and suggested measures aimed at resolving difficulties in the current situation, and made suggestions on the contents of the Council of Ministers draft decision on management policies and procedures applied to national defense units engaged in economic work. This was aimed at enhancing the efficiency of the Army's economic work and contributing to the common efforts of the entire party and people to successfully implement the seventh party congress resolutions.

Nguyen Van Linh Visits Lam Dong Silk Union

BK2307095591 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 18 Jul 91

[Text] In mid-July, Comrade Nguyen Van Linh, adviser to the party Central Committee, paid a visit to the Vietnam Union of Mulberry, Silkworm, and Silk Enterprises; the Dalat Army Academy; and the tribesmen at Dinh Lac village, Di Linh District, Lam Dong Province. Comrade Nguyen Xuan Du, secretary of the Party Committee of Lam Dong Province; and Nguyen Van, director general of the Vietnam Union of Mulberry, Silkworm, and Silk Enterprises accompanied Comrade Nguyen Van Linh during his visit. Comrade Nguyen Van Linh also toured the Kolinda Mulberry Farm in the new economic zone built early in 1991 by new settlers from Thai Binh and Ha Nam Ninh Provinces, and an automatic silk factory.

Cordially addressing workers at the union, Comrade Nguyen Van Linh expressed great satisfaction with their work and praised the efforts of the mulberry, silkworm, and silk industry throughout the country. To date the mulberry area has been increased to 20,000 hectares, with nearly 9,000 hectares, or almost one half of the total mulberry area, planted in Lam Dong. The industry has attracted more than 140,000 peasant households from 23 provinces and cities and over 8,000 cadres and workers, including 700 engineers, 10 PhD's and PhD candidates.

Comrade Nguyen Van Linh commended the Vietnam Union of Mulberry, Silkworm, and Silk Enterprises for its success. Established only recently, the union, thanks to its self-reliant spirit and enthusiasm, has boldly carried out renovation and turned Bao Loc into a major silk industry city of the country. The union itself has emerged as a model unit, bringing about great benefits for the country. Over the past five years, it has expanded international cooperation with 40 foreign companies including five major Italian, Japanese, and South Korean firms which have made an initial investment of more than USD$10 million to help the union build modern automatic silk factorites and several mulberry farms. Assistance has also been given to numerous peasant families throughout the country in developing sericulture. As of June 1991, the union had processed and exported more than 420 tonnes of silk, earning USD$10 million and remitting more than 3.5 billion dong to the state budget, thus fulfilling 50 percent of the 1991 plan.

Comrade Nguyen Van Linh wished the union many new achievements in productive labor and further development of the Vietnamese sericulture.

Chairman Vo Chi Cong Visits Lam Dong Province

BK2207131391 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 16 Jul 91

[Text] During his trip to southern provinces, comrade Vo Chi Cong, adviser to the Communist Party of Vietnam [CPV] Central Committee and chairman of the Council of State, paid a working visit to Lam Dong Province.

He spent time working with the province's party committee and attended a conference of more than 200 key and veteran cadres to welcome the success of the Seventh CPV Congress.

On behalf of the provincial party committee's standing body, comrade Nguyen Xuan Du, secretary of Lam Dong Province party committee, reported to chairman Vo Chi Cong on progress made by the province in the socioeconomic, security, and national defense domains during the first six months of 1991.

At the meeting to welcome success of the Seventh CPV Congress, Chairman Vo Chi Cong praised the provincial party committee and people for their efforts and achievements in socioeconomic development. He urged them to strive to bring the province's full potential into play, especially in planting industrial crops, promoting tourism, and exploiting mineral ore. He also urged people in the province to strive to implement the Seventh CPV Congress resolutions in their daily life. It is imperative for the province to satisfactorily organize the second round of party organization congresses, quickly strengthen the party and administration building task, promote internal unity, oppose corruption and counterrevolutionary acts, and improve the daily life of ethnic minority people, thereby contributing to turning Lam Dong into a province prosperous in economy, strong in national defense, and beautiful in culture.

Chairman Vo Chi Cong visited more than 200 families in Dalat city, some of them engaged in orchard economy. The families of uncles Bui Dan and Nguyen Huu Ngoc were among the most successful families in the city. They planted persimmon, coffee, and other short-term industrial crops and earned an annual income of 20-50 million dong. These families have applied technological innovation to their plantation, engaged in extensive cultivation, and invested more in major industrial crops.

Chairman Vo Chi Cong cordially exchanged views with these families and commended those who achieved outstanding economic results. He expressed the hope that Dalat city as well as other localities of Lam Dong Province will strive to formulate new, progressive models.

At the Vietnamese Mulberry Union in Bao Loc District, leading cadres of the province and district briefed Chairman Vo Chi Cong on activities of the union which include the planting of mulberry in the old and new zones by 450 families from Thai Binh and Ha Nam Ninh provinces. The province will plant mulberry on an additional area of 3,000 hectares by the end of this year. Chairman Vo Chi Cong solicitously inquired about the daily life of the new settlers. He urged leading cadres of the union to strive to improve the daily life of these people and provide better education for their children, thereby creating favorable conditions for them to stabilize their life and engage in production.

The leading cadres of the union also briefed chairman Vo Chi Cong on the production chain of the union. In 1990, the union exported 420 tonnes of silk. In 1991, with the new management mechanism, the union will strive to export 500 tonnes.

Chairman Vo Chi Cong expressed his delight to see the correct, effective production model of the union, especially its capability in providing jobs for thousands of workers and in exporting silk to foreign countries. He expressed the hope that the union's production model will be developed to achieve ever greater economic results.

Pham The Duyet Attends Scientific Union Meeting

BK2207142591 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 22 Jul 91

[Text] The Hanoi Union of Science and Techniques held a meeting on the morning of 22 July to discuss measures to implement Political Bureau Resolution 26 on scientific and technological work in the renovation process. Comrade Pham The Duyet, member of the Political Bureau and secretary of Hanoi's party committee, attended.

In the past, the Hanoi Union of Science and Techniques has assisted various units in promoting research on and application of new technical processes and technologies to production and life. Acting in coordination with the Foreign Language Center, the Association for Environmental Protection, and the Ho Chi Minh Communist Youth Union, the union has organized numerous practical activities.

At the meeting, the union suggested that its members concentrate on the research on and application of technical advances to the four major plans of Hanoi, namely the grain and foodstuffs program, the export goods production program, the urban management enhancement program, and the sociocultural program. Delegates proposed immediate launching of scientific and technical research projects capable of meeting urgent public demands in production and daily life. At the same time, the union should do a better job of dispensing information to enable its members to coordinate their activities with high efficiency.

General Nguyen Quyet Visits War Invalids

BK2307142291 Hanoi Voice of Vietnam in English 1000 GMT 23 Jul 91

[Text] General Nguyen Quyet, vice president of the state council, has visited war invalids and sick soldiers and physicians at Military Hospital 175, and the families of war dead and invalids in Ho Chi Minh City.

During the visit, which was one of the various activities to mark War Death and Invalid Day, July 22, the Vietnamese leader presented gifts to sick soldiers and families of war dead and invalids who also got presents from representatives of the Ministry for Labor, War Invalids and Social Welfare, and the Association of War Veterans.

Australia

Ministers To Meet Taiwan Economic Minister

BK2407075091 Melbourne Radio Australia in English 0500 GMT 24 Jul 91

[Text] The first Taiwanese minister to visit Australia in 20 years will meet senior members of the Hawke government. Taiwan's economic affairs minister, Vincent Siew, is in Australia on a private 4-day visit hosted by the Australian Chamber of Commerce. Nevertheless, he will meet Industry Minister John Button, Trade Minister Neal Blewett, and Primary Industry Minister Simon Crean.

Senator Button says he expected the meeting to be low-key although it might (?help) advance negotiations on direct air links between the two countries.

Official diplomatic links between Australia and Taiwan were cut in 1972 when Australia recognized the People's Republic of China. Taiwan maintains unofficial contacts through a trade mission in Sydney.

The Chinese Embassy in Canberra has inquired whether the visit indicates a change in Australia's one-China policy. A foreign affairs spokesman says the embassy was assured there is no change.

Ray on Unified Defense Force With New Zealand

BK2307071891 Melbourne Radio Australia in English 0500 GMT 23 Jul 91

[Text] The Australian defense minister, Robert Ray has predicted that the Defense Forces of Australia and New Zealand will be united within the next two decades. Senator Ray was speaking at the New South Wales' South-coast Naval Air Station, HMAS Albatross.

Jeanie Styne reports:

[Begin recording] New Zealand currently has a number of Air Force aircraft [words indistinct] HMAS Albatross, which Senator Ray called a great step in better relations between Australia and New Zealand.

Senator Ray says there is only one major obstacle to a united Defense Force and that is the question of sovereignty. He says that the only impediment which could be overcome if time progresses and [words indistinct]. He says there is no way either country can continue to operate separate Defense Forces. But he says it will take time. But 20 years from now, it could be a reality. [end recording]

Fiji

More Police Officers To Join UN Peacekeepers

BK2407062291 Melbourne Radio Australia in English 0500 GMT 24 Jul 91

[Text] Fiji has announced that it is sending another 25 police officers to Iraq at the request of the United Nations. The assistant superintendent of police in Suva, (Asake Rabuku), said the 25 police would join an earlier Fiji contingent of 25 senior officers sent to Iraq.

The Fiji Army has some 1,100 troops in Lebanon and Sinai on separate UN observer missions, and in 1989 sent 105 policemen to Namibia to help ease the former South African territory's transition to independence.

Papua New Guinea

BRA Blamed for Attack on Soldier, Policeman

BK2307063691 Melbourne Radio Australia in English 0500 GMT 23 Jul 91

[Text] A Papua New Guinea soldier has been critically wounded and a policeman also wounded in an attack the authorities believed was staged by the Bougainville Revolutionary Army [BRA].

Marios Benson reports from Port Moresby that the attack could mark the start of a new military campaign by the BRA.

[Begin recording] The soldier and policeman were shot in the Chinatown section of Buka town on the island of Buka just in the north of Bougainville itself. The two men were patrolling a crowded area about one km from the command post of the Papua New Guinea security forces when an unidentified person fired on them hitting the soldier in the chest and the policeman in the knee.

A military spokesman said the attack was believed to be the work of the BRA although the possibility that it was a civil criminal attack had not been ruled out.

The attack comes just four days after the ambushing of a group of soldiers by the BRA on the northern tip of Bougainville which left two soldiers dead and one seriously wounded. [end recording]

Premier Urges 'Greater Effort' for Peace

BK2407063091 Melbourne Radio Australia in English 0500 GMT 24 Jul 91

[Text] Papua New Guinea's prime minister, Rabbie Namaliu, has called for a greater effort to find peace on the troubled island of Bougainville. In his National Remembrance Day address, Mr. Namaliu said it was tragic that troops were still at risk on Bougainville despite the Honiara peace accord signed between the government and secessionist forces in January this year.

His comments came as authorities reported earlier this week that two more security force personnel had been seriously wounded in a shooting on Buka Island just north of Bougainville. This came only 4 days after two soldiers had been killed and another critically injured on Bougainville.

The prime minister used the ceremony marking the 49th anniversary of the start of classhes between Papua New Guinea troops when the Japanese joined World War II to honor those who have died on Bougainville.